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COURSE ON PATENT LAW

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SYNOPSIS OF LECTURE I

A. PROGRESS OF CIVILIZATION MARKED BY INVENTION (Necessity the prevailing cause).

1. Prehistoric Inventions

Examples: Stone implements, fire, bow and arrow, canoe.

2. Early Inventions

Examples: Wheeled vehicles, sailing boats, Implements of bronze, iron and steel.

3. Modern Inventions:

Examples: Steam engine, printing press, power loom, fire arms, electrical devices, Automobile and air plane.

4. Invention means exercise of creative faculty, not mere good workmanship.

Examples: Invention of the wheel, probably very crude at first, but put into better form later by good workmanship.

B. PATENT LAW SYSTEMS

Patent Law Systems are now adopted by practically all nations and are the result of the desire to reward inventors and to stimulate inventions. They have greatly increased the number of inventions in the last one hundred years.

1. ENGLISH SYSTEM

a. At Early Common Law

(1) There were two classes of patent monopolies under the Tudors.

(a) Those conferred on inventors of new manufactures or introducers of new trades within the realm.

These were always held a legitimate exercise of royal prerogative.

- (b) Those conferred on favorites of the crown, and granting the exclusive right to deal in well known articles of commerce, such as salt, iron, oil, etc. These were obnoxious and produced great hardship, and finally were prohibited by law.
- (2) In reign of Queen Elizabeth the grants of patents other than for inventions became oppressive, and were by her after protest by Parliament in part abolished by royal proclamation November 28, 1801.
- (3) In Darcy v. Allen, 11 Coke 84, Noy 173 (1602), a patent granted by Queen Elizabeth for exclusive right to make, import and sell playing cards was held to be illegal at common law.
- (4) Statute of Monopolies, 21 James I, passed 1623 in reign of King James I, abolished most of the obnoxious monopolies and expressly excepted patents for new manufactures therefore granted. Provision was also made for the excepting of future patents for periods of 14 years or less for new manufactures within the realm.

b. MODERN ENGLISH SYSTEM

- (1) From the Statute of Monopolies and decisions thereunder is derived the modern English Patent Law.
- (2) At first patents were granted without examination and ownership was left to litigation. But this practice is now changed.
- (3) Under the English Law working of the invention is required within the realm by the patentee. There is no such requirement in the United States.
- (4) Formerly where there were a number of claims in the patent, if one were held invalid, altho the others were valid, the patent was unenforceable. This has been recently changed so that now relief will be granted for infringement of one valid claim.

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LECTURES ON PATENT LAW

1. Constitutional and Statutory Provisions and General Nature of Patent Grant.
 2. Subject Matter of Patents.
 3. Invention.
 4. Novelty and Utility.
 5. The U. S. Patent Office and Applications for Patent.
 6. The Specification and Claims.
 7. Examination and Rejection of Claims by Patent Office and Amendments, including Division.
 8. Abandonment, Reissue and Disclaimers.
 9. Interferences and Appeals, Bill in Equity to Obtain Patent.
 10. Title and Licenses.
 11. Infringement.
 12. Courts, Parties and Causes.
 13. Actions at Law and Damages. (Including Qui Tam actions.)
 14. Actions in Equity and Injunctions.
 15. Accounting Proceedings.
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2. AMERICAN SYSTEM

- a. The American system of patent law finds its origin in the common law of England.
- b. The First Patent in America was granted March 6, 1646 by the General Court of Massachusetts for 14 years for the exclusive setting up, use and trade of a new invention for engines of mills to go by water.

(RECORDS OF GENERAL COURT OF MASSACHUSETTS)

- c. Original practice in this country was to grant patents without examination of prior art following the English practice, but this was changed in 1836 when the present practice of making such an examination was adopted.
- d. There is no requirement of working the invention under a United States patent as in foreign countries.
- e. The Constitutional Provision.

- (1) Text of Provision: "The Congress shall havepower to promote the progress of Science and Useful Arts, by securing for limited times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

Article I, Section 8.

- (2) As used in the Constitution and U. S. Statutes "Discovery" is synonymous with "invention".

In re Kemper, 1 Mac A. Pat. Cas. 1
14 Fed. Cas. 286.

f. Patent Statutes

Patent Act of 1790. (1 Stat. at L. 109) inaugurated Patent System of U. S. This was closely followed by the Patent Act of 1793 which superseded it and which has been amended from time to time by numerous acts, the most important of which was the Act of 1836. By this Act the Patent Office was created and organized. The main provisions of the law as it now exists are to be found in the Acts of 1870 and 1875, as amended.

- g. The principal provision of the law as it now exists is Section 4886, which is as follows:

"Any person who has invented or discovered any new

and useful art, machine, manufacture, or composition of matter, or any new and useful improvements thereof, not known or used by others in this country, before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country, before his invention or discovery thereof, or more than two years prior to his application, and not in public use or on sale in this country for more than two years prior to his application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law, and other due proceeding had, obtain a patent therefor."

h. The Formal Requisites of a U. S. Patent are:

- (1) Issued in name of United States of America.
- (2) Under seal of Patent Office.
- (3) Signed by Commissioner of Patents, or his printed name attested by an assistant Commissioner or a law examiner duly designated by him.
- (4) Short title indicating nature and design of invention.
- (5) Grant to Patentee for 17 years exclusive right to make, use and vend in United States.
- (6) Copy of specification and drawing should be annexed.

United States Revised Statutes, Sec. 4883, 3884.

i. Nature of the Patent Grant

- (1) Purpose of patent statute was to encourage inventions and secure the benefit thereof to the public at the expiration of the patent

Bauer v. O'Donnell, 229 U. S. 1

(2) Patent Defined:

"A patent is a grant of a right to exclude all others from making, using or selling the invention covered by it."

U.S. v. Standard Sanitary Mfg. Co., 191

Fed. 172.



"The franchise which the patent grants consists altogether in the right to exclude every one from making, using and vending the thing patented without the permission of the patentee. This is all that he obtains by the patent."

Bloomer v. McQuewan, 14 How. 539, 549.

- (3) Three exclusive rights are conferred by a patent:

- (a) Right to exclude others from making.
- (b) Right to exclude others from selling.
- (c) Right to exclude others from using.

Motion Picture Co. v. Universal Film Co.
243 U. S. 502

- (4) A patent does not confer an affirmative right to make, use and sell. This right existed prior to the passage of the law, and was always the right of an inventor.

Bauer v. O'Donnell, 229 U. S. 1, 10

Continental Paper Bag Co. v. Eastern Paper Bag Co., 210 U. S. 405, 425.

- (5) Primary and Secondary Patents.

Relative to the place which they occupy in the art, patents are,

- (a) Primary (or Pioneer) patent, representing a marked advance in the art and being essentially basic. Examples: Telephone, Telegraph, Vulcanizing Rubber, etc.

A Primary invention is "one which performs a function never performed by an earlier invention".

Central Foundry Co. v. Coughlin, 141 Fed. 91.

- (b) Secondary patent, representing an improvement upon an old invention.

A Secondary invention is "one which performs a function previously performed by earlier inventions, but performs that

function in a substantially different manner from any which preceded it."

Central Foundry Co. v. Coughlin, supra.

- (6) A patent is a contract between the inventor and the government. The consideration given by the inventor is full disclosure; the consideration on the part of the government is a monopoly in the invention for seventeen years.

Fried, Krupp, Aktien Gesellschaft v. Midvale Steel Co., 191 Fed. 588.

National Hollow B.B. Co. v. Interchangeable B. B. Co., 106 Fed. 693.

- (7) Presumptions arising from grant are those of novelty, utility and patentability.

Wilkins Shoe-Button Fastener Co. v. Webb, 89 Fed. 982, 996.

Lehnbeuter v. Holthaus, 105 U.S. 94.

Mesker v. Thuener, 42 Fed. 329.

j. APPLICANTS

- (1) The first importer, if not inventor, has no right as in England to apply for a patent.
- (2) Applicant may be "any person" who is an inventor.

Revised Statutes, Sec. 4886; Patent Office Rule 24.

"Any person" includes any sane person, regardless of sex or nationality. The inventor, if living and not under disability, must execute the application.

- (3) Legal representative of inventor may act in case of his death or incapacity. In case of inventor's death, the application will be made by, and the patent will issue to, his executor or administrator. In case an inventor becomes insane, the application may be made by and the patent issued to his guardian, conservator or representative.

Revised Statutes, Sec. 4896.

Patent Office Rule, 25.

- (4) Prior knowledge or use of invention in foreign country, if not patented or described in any printed publication, will not bar applicant from obtaining a patent.

Revised Statutes 4923.

Patent Office Rule 27.

Westinghouse Machine Co. v. General Electric Co., 199 Fed. 907.

- (5) Joint Inventors

Joint inventors are those whose minds meet to accomplish the creation of a single invention. They are entitled to a joint patent, and may file separate or joint applications. Only one patent, however, will issue.

Ex parte Wellman & Wellman, 88 Off. Gaz. 2065

Patent Office Rule 28.

- (6) Prior foreign patent of applicant for same invention is no bar unless application therefor is filed more than twelve months before filing of his application in this country in the ordinary case, or more than four months prior in case of designs.

Revised Statutes, Sec. 4887

Patent Office Rule 29.

- (7) Officers and employees of U. S. Patent Office are not allowed to acquire interests in U. S. patents during their terms of office.

Revised Statutes, Sec. 480.

But they may obtain patents after their terms of office for inventions made by them during such periods.

Foote v. Frost, 9 Fed. Cas. 362.

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SYNOPSIS OF LECTURE II

1. PATENTABLE SUBJECT MATTER

There are five classes of inventions which are each the statutory subject matter of patents:

- a. An art or process.
- b. A machine.
- c. A manufacture.
- d. Composition of matter.
- e. A design.

The first four classes are specifically referred to and covered by U. S. Revised Statutes Sec. 4886, and the last class, that of design, is specifically covered by U. S. Revised Statutes Sec. 4929. No design invention can be combined in a patent with any of the other inventions, and none of the inventions of the first four classes can be combined in a patent except where they are dependent upon each other and mutually contribute to produce a single result.

Patent Office Rule 41.

2. ART OR PROCESS

In Patent practice the words "Art", "Process" and "Method" are used interchangeably.

a. Defined. "A process is a mode of treatment of certain materials to produce a given result. It is an act, or series of acts, performed upon the subject matter to be transformed and reduced to a different state or thing."

Cochrane v. Deener, 94 U.S. 780, 788.

- b. "The general definition of process is, "an operation performed by rule to produce a result."

Walker on Patents, Sect 3.

b. Examples:

- (1) Vulcanizing India Rubber
- (2) Making of waterproof cloth
- (3) Smelting of ores
- (4) Art of Tanning
- (5) Art of Dyeing

c. A Patentable Process cannot cover the principle or mode of operation of a machine.

"It is well settled that a man cannot have a patent for the function or abstract effect of a machine, but only for the machine which produces it."

Corning v. Furden, 15 How. 252.

Burr v. Duryee, 1 Wall. 531, 570.

d. A Law of nature or a scientific principle is not patentable as an art.

The law as to patentable arts and processes is well set forth in the following cases:

- (1) McClurg v. Kingsland, 1 How. 202, sustaining a patent for a process for casting steel rollers.
- (2) O'Reilly v. Morse, 15 How. 112, holding a claim for the use of electric current for marking intelligible characters at a distance to be void because for a principle.
- (3) Mowry v. Whitney, 14 Wall. 620, sustaining a patent for a process for hardening and annealing cast iron car-wheels.
- (4) Tilghman v. Proctor, 102 U.S. 707, sustaining a patent for a process of manufacturing fat acids and glycerine.
- (5) Telephone Cases, 126 U.S. 531, sustaining a patent for a process of transmitting sounds telegraphically by causing electrical undulations, similar in form to the vibrations of the air accompanying said sounds.

e. Patentable Process.

See on general subject Westinghouse v. Boyden Power Brake Co., 170 U.S. 537, and In re Weston 94 Off. Gaz. 1786.

There are three classes of cases involving processes.

- (1) Processes involving a chemical or other elemental action which is new and useful, are patentable.

Example:

The process of the Goodyear patent, which consists in vulcanizing India rubber by subjecting it to a high degree of heat when mixed with sulphur and a mineral salt.

Goodyear v. Berry, 3 Fish. Pat. Cas. 439
10 Fed. Cas. 631.

- (2) A process which amounts to no more than the mere function of a machine is not patentable.

Example:

Successive machine operations for making pulleys.

Risdon Iron & Locomotive Works v. Medart, 158 U.S. 68.

- (3) A process or method not absolutely dependent upon a machine, although perhaps best, illustrated by mechanism, may, if new and useful, be the proper subject of a patent.

Examples:

Folding paper in a peculiar way for the manufacture of paper bags.

Eastern Paper Bag Co. v. Standard Paper Bag Co.,
30 Fed. 63.

New Method of weaving a hammock.

Travers v. Amer. Cordage Co., 64 Fed. 771.

3. Machine.

a. Defined.

"A machine is an instrument composed of one or more of the mechanical powers, and capable, when set in motion, of producing by its own operation certain predetermined physical effects."

Robinson on Patents, Sec. 173.

Stearn v. Russell, 85 Fed. 218.

"The term machine includes every mechanical device or combination of mechanical powers and devices to perform some function and produce a certain effect or result."

Corning v. Burden, 15 How. 252.

b. Result of machine is not patentable.

"Patents for a machine will not be sustained if the claim is for a result, the established rule being that the invention, if any, within the meaning of the patent act, consists in the means or apparatus by which the result is obtained."

Fuller v. Ventzer, 94 U.S. 288.

c. Examples:

(1) Sewing Machine.

Singer v. Bransdorf, 7 Blatchf. 521.

(2) Seed planting machine.

Brown v. Guild, 23 Wall. 181.

(3) Wire Fence machine.

Denning Wire & Fence Co. v. Am. Steel & Wire Co.,
169 Fed. 793.

(4) Cash Register.

Nat'l Cash-Register Co. v. Boston Cash Indicator Co., 156 U.S. 502.

4. Manufacture.

a. A Manufacture includes everything made by the art and industry of man, except machines, compositions of matter, and designs.

Johnson v. Johnson, 60 Fed. 618, 620

Cincinnati Traction Co. v. Pope, 210 Fed. 443.

In England the term "Manufacture" is given a much broader meaning than in the United States, and includes processes.

- b. An old unpatentable product may be produced by a new patentable process.

The Wood-Paper Patent, 23 Wall. 566.

C. Examples:

- (1) Wooden pavement.

Stead v. Williams, 2 Web. 126.

- (2) Collar button.

Krementz v. Cottle Co., 148 U.S. 556.

- (3) Barbed Wire/

Washburn v. Beat 'Em All Barbed Wire Co., 143 U.S. 275.

- (4) Railway Brake-shoe.

Consolidated Brake-shoe Co. v. Detroit Steel Etc. Co., 59 Fed. 902.

- (5) Belt for driving machinery.

Gandy v. Main Belting Co., 143 U.S. 587.

5. Composition of Matter.

a. Defined:

"A patentable compound or composition of matter is one which is produced by the admixture of two or more specific ingredients, and possesses properties pertaining to none of those ingredients separately, thereby accomplishing a new and useful result."

Lane v. Levi, 21 app. D.C. 163 - 104 Off. Gaz. 1898

b. Examples:

- (1) Paint Remover.

Chadeloid Chemical Co. v. Frank S. De Ronde Co., 145 Fed. 988.

- (2) Heat proof composition for pipe coverings.

Keasbey & Mattison Co. v. Philip Carey Mfg. Co., 139 Fed. 571

- c. The relative proportions of the ingredients of the compound should be stated.

Wood v. Underhill, 5 How. 1.

Tyler v. Boston, 7 Wall. 327.

6. Designs.

a. Defined.

"Design, in view of the patent law, is that characteristic of a physical substance which by means of lines, configuration and the like, taken as a whole makes an impression through the eye upon the mind of the observer."

Pelouze Scale & Mfg. Co. v. American Cutlery Co., 102 Fed. 916.

"Patents for designs are intended to apply to matters of ornament, in which the utility depends upon the pleasant effect imparted to the eye, and not upon any new function. ... Design patents refer to appearances, not utility. The object is to encourage works of art and decoration which appeal to the eye, to the esthetic emotions, to the beautiful."

Rowe v. Blodgett & Clapp Co., 112 Fed. 61.

b. Statutory provision.

The statutory provision authorizing design patents in U. S. Revised Statutes, Sec. 4929, which is as follows:

"Any person who has invented any new, original, and ornamental design for an article of manufacture, not known or used by others in this country before his invention thereof, and not patented or described in any printed publication in this or any foreign country before his invention thereof, or more than two years prior to his application, and not in public use or on sale in this country for more than two years prior to his application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law and other due proceedings had, the same as in cases of invention or discoveries covered by section forty eight hundred and eighty-six, obtain a patent therefor."

c. Term.

"Patents for designs may be granted for the term of three years and six months, or for seven years, or for fourteen years, as the applicant may, in his application, elect."

U. S. Revised Statutes, Sec. 4931.

Note the difference from the term of an ordinary patent, which is seventeen years.

d. Examples:

- (1) Coach lamp.

Britton v. White Mfg. Co., 61 Fed. 93.

- (2) A Rug.

Smith v. Stewart, 55 Fed. 481.

- (3) Handles of table-spoons and forks.

Gorham Company v. White, 14 Wall. 511.

- (4) Dolls.

George Porgfeldt & Co. v. Weiss, 265 Fed. 268.

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SYNOPSIS OF LECTURE III.

1. INVENTION.

- a. Invention is a necessary prerequisite to patentability.
Under the Constitution and Section 4886 of the Revised Statutes the thing sought to be patented must be an invention.

Thompson v. Boisselier, 114 U.S.1, 11.

To entitle a person to a patent the subject matter thereof "must be the product of some exercise of the inventive faculties".

Pearce v. Mullford, 102 U.S. 112, 118.

- b. Definition. Invention involves the exercise of the creative mind. The word invention cannot be defined authoritatively in any general definition recognized by the courts. The presence or absence of invention is to be determined by the process of exclusion through the application of rules mainly negative in character.

McClain v. Ortmyer, 141 U.S. 419, 426, 427.

- c. Invention is a question of fact, which in an action at law is to be determined by a jury.

Look v. Smith, 148 Fed. 12.

Keene v. New Idea Spreader Co., 231 Fed. 701.

d. PRIOR STATE OF THE ART.

- (1) Question of Invention must be investigated in the light of the state of the prior art.

"The claims and specifications of every patent must be read and construed in the light of a knowledge of the state of the art when it was issued."

P. H. Murphy Mfg. Co. v. Excelsior Car Roof Co.,
76 Fed. 965, 972.

- (2) Prior Art Defined. The "prior art" or "state of the art" simply means previous knowledge accessible to the public, and includes all prior patents and printed publications in any language open to the public as well as prior public uses.
- (3) All patentees are presumed to be fully acquainted with the prior state of the art.

"In determining the question of invention, we must presume the patentee was fully informed of everything which preceded him, whether such were the actual fact or not."

Mast, Foos & Co. v. Stover Mfg. Co., 177 U.S. 485, 494.

2. GENERAL RULES RELATING TO INVENTION.

- a. Simplicity of means for attaining long sought for result does not indicate want of invention.

In the leading case of The Barbed Wire Patent, 143 U.S. 275, where it appeared that the patentee was the first to discover the great advantages of a coiled wire to affix and form the barbs, the Supreme Court said (page 283), referring to one Michael Kelly, a prior patentee: "It may be strange that considering the important results obtained by Kelly in his patent, it did not occur to him to substitute a coiled wire in place of the diamond shape prong, but evidently it did not; and to the man to whom it did ought not to be denied the quality of inventor. There are many instances in the reported decisions of this court where a monopoly has been sustained in favor of the last of a series of inventors, all of whom were groping to obtain a certain result, which only the last one of the number seemed able to grasp."

See also -

Gandy v. Main Belting Co., 143 U.S. 587, 594, where a patent for a belt for driving machinery was sustained.

Krementz v. Cottle Co., 148 U.S. 556, 560, where it was held that it involved invention to make a collar button of one continuous sheet of metal.

b. Exercise of invention is not involved in the application of mere mechanical or technical skill.

"A device which displays only the expected skill of the maker's calling, and involves only the exercise of ordinary faculties of reasoning upon materials supplied by special knowledge, and facility of manipulation resulting from habitual, intelligent practice, is in no sense a creative work of the inventive faculty, such as the Constitution and patent laws aim to encourage and reward."

Williams Mfg. Co. v. Franklin, 41 Fed. 393, 395.

Patton v. Clegg, 274 Fed. 118, 120-121.

"To grant to a single party a monopoly of very slight advance made, except where the exercise of invention, somewhat above ordinary mechanical or engineering skill, is distinctly shown, is unjust in principle and injurious in its consequences."

Atlantic Works v. Brady, 107 U.S. 192, 200.

Example: Only mechanical skill is involved in making a die for cutting dough on a flat surface into the form of a pretzel.

Butler v. Steckel, 137 U.S. 21.

Same doctrine applied to chemical patents.

Badische Aniline & Soda Fabrik v. Kalle, 94 Fed. 173.

Also as to electrical patents.

Perkins Electric Switch Mfg. Co. v. Gibbs Electric Mfg. Co., 87 Fed. 923.

c. Aggregation is not Invention.

A "combination to be patentable, must produce a different force or effect, or result in the combined forces of processes, from that given by their separate parts. There must be a new result produced by their union: if not so, it is only an aggregation of separate elements."

Reckendorfer v. Faber, 92 U.S. 2 347, 357

In the above case the Supreme Court held that a patent covering the combination of a lead pencil and eraser at the end was void as an aggregation.

See also Hailes v. Van Wormer, 20 Wallace 353, where the letters patent in suit covered a self-feeding stove where many old features were gathered together, but did not perform any joint function. The court holding that, - "Merely bringing old devices into juxtaposition, and there allowing each to work out its own effect without the production of something novel, is not invention."

d. Double Use is not Invention.

By "double use" is meant the using of an old process, machine, manufacture or composition of matter without substantial change for an analogous purpose.

Examples:

- (1) Coffee mill applied for first time to grind oats or corn.
- (2) Cotton gin applied without alteration to clean hemp.
- (3) Loom to weave cotton yarn used to weave woolen yarn.
- (4) Steam engine ordinarily used to turn a grist mill applied to turn the main wheel of a cotton factory.

These four examples are cited in:

Bean v. Smallwood, 2 Story 408; 2 Fed. Cas. 1142

- (5) Device for raising window sash used for raising grain platform of harvester.

Deering v. McCormick Harvesting Machine Co., 40 Fed. 236.

- (6) Apparatus for preserving fish in closed chamber held to be a double use of ice cream freezer.

Brown v. Piper, 91 U.S. 37.

Exception

Invention may be involved if device is for non-analogous purpose and is adapted for use in different branch of industry.

Potts v. Creager, 155 U.S. 597.

e. Change of form.

"Merely to change the form of a machine is the work of a constructor, not of an inventor; such a change cannot be deemed an invention."

Winans v. Denmead, 15 How. 330, 341:

Where, however, by reason of such change, other mechanical principles are employed and a new mode of operation brought about, invention is exercised. Ibid.

Charles Cooper v. The Otis Company, 166 Fed. 361.

Edison Electric Light Co. v. U. S. Electric Lighting Co., 52 Fed. 300.

f. Substitution of Equivalents.

(1) Equivalent Defined.

An equivalent is "a thing which performs the same function, and performs that function in substantially the same manner, as the thing of which it is alleged to be an equivalent."

Walker on Patents, Sec. 354.

(2) "The substitution of equivalents is not such invention as will sustain a patent."

Smith v. Nichols, 21 Wall. 112, 119.

(3) Exceptions:

"If such a substitution involves a new mode of construction, or develops new uses and properties of the article formed, it may amount to invention."

Smith v. Goodyear Dental Vulcanite Co., 93 U.S. 486, 496.

g. Duplication of Parts.

A mere duplication of parts does not involve patentable invention.

Examples:

(1) Putting pane of glass in fare box of street car next the passengers in addition to the pane next the driver.

Slawson v. Grand Street R. R. Co., 107 U.S. 653.

(2) Duplication of Fire places in furnace chimney.

Miller v. Voss, 4 Hughes 262.

h. Merely combining two parts in one piece.

It is not invention to make in one piece what was formerly made in two, where no new result is obtained.

General Elec. Co. v. Yost Elec. & Mfg. Co. 139 Fed. 568.

H. Mueller Mfg. Co., v. A. G. McDanzly & Morrison Mfg. Co., 164 Fed. 991.

i. Omission of Parts.

"A reconstruction of the machine so that a less number of parts will perform all the function . of the greater may be an invention of a high order, but the omission of a part, with a corresponding omission in function, so that the retained parts do just what they did before the combination, cannot be otherwise than a mere matter of judgment."

McClain v. Ortmyer, 33 Fed. 284, 287.

j. Increase of Weight.

Mere increase of weight does not involve invention.

Example:

Increasing the weight of a hand wheel in a road machine is not invention.

American Road Machine Co. v. Pennock etc. Co., 164 U.S. 26.

k. Enlargement.

It is not invention merely to enlarge a machine.

Examples:

(1) Circular saw-mill which was enlargement of machine for sawing laths.

Phillips v. Page, 24 How. 164.

(2) Planing-machine which was enlargement of small machine for cutting and planing light material.

Planing Machine Co., v. Keith, 101 U.S. 479, 490.

(3) Hose-reel made of large diameter presumably larger than prior reels.

Preston v. Manard, 116 U.S. 663

1. New Result.

"It may be laid down as a general rule, though perhaps not an invariable one, that if a new combination and arrangement of known elements produce a new and beneficial result, never attained before, it is evidence of invention. It was certainly a new and useful result to make a loom produce fifty yards a day when it never before had produced more than forty, and we think that the combination of elements by which this was effected, even if those elements were separately known before, was invention sufficient to form the basis of a patent."

Loom Co. v. Higgins, 105 U.S. 580, 591-592.

But it is not "invention to combine old devices into a new article without producing any new mode of operation".

Burt v. Every, 133 U.S. 349.

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SYNOPSIS OF LECTURE IV

1. NOVELTY.

a. Statutory Provision. Under Revised Laws, Sec. 4886, a patentable invention must be "new", subject to the qualifications therein stated.

b. Presumption of novelty arises from grant of letters patent.

Michael & Wildman Mfg. Co. v. Stafford, 105 Fed. 380, 382.

c. Novelty is a question of fact not of law.

Turrill v. Railroad Company, 68 Wall. 491

Bischoff v. Wethered, 9 Wall, 812.

d. Novelty is negatived under Section 4886 by prior knowledge of persons other than the inventor manifested in three ways.

(1) Through prior use.

(2) Through prior printed publications other than patents.

(3) Through prior patents.

2. PRIOR USE.

a. Requisites of prior use.

(1) The use must have been prior to invention of patent.

(2) The use must have been of a complete, and operative thing.

(3) The use must have been a practical one.

(4) The use must have been in public.

Robinson on Patents, Sec. 317.

- b. Prior use in the United States by single person is sufficient to negative novelty.

Coffin v. Ogden, 18 Wall, 120, holding a patent for a door lock to be anticipated by a lock made and put in use by one Erbe.

- c. Prior use of single article in the United States is sufficient to establish want of novelty.

"Although only one clamp and one lamp were ever made, which were used together two and one-half months only, and the invention was then taken from the lamp and was not afterward used with carbon pencils, it was an anticipation of the patented device."

Brush v. Condit, 132 U.S. 39, 48.

Where it appears that the prior use was successful, subsequent abandonment will not be sufficient to prevent such use from being held to be an anticipation. Ibid

Shopp v. Henrici, 22 Fed. Cas. 26.

- d. The use must not be in secret.

The mere secret practice of a process or the concealed physical presence of a manufacture in this country, is insufficient as an anticipation.

Acme Flexible Clasp Co. v. Vary Mfg. Co., 96 Fed. 344; 104 Fed. 269.

But it is not a secret use where there was no more concealment than was inseparable from legitimate use.

Hall v. Macneale, 107 U.S. 90, 97.

Brush v. Condit, 132 U.S. 39, 49.

- e. An unsuccessful abandoned experiment is not an anticipation.

Westinghouse Electric & Mfg. Co. v. Beacon Lamp Co., 95 Fed. 462, 464.

- f. Mere accidental use of some features of invention without recognition of their benefits will not negative novelty.

Taylor Burnes Co. v. Diamond, 72 Fed. 182, 185.

g. A lost art does not negative novelty.

The rediscoverer of a lost art is entitled to a patent, notwithstanding evidence of the awakened memory of a person who formerly knew of the art and had forgotten it.

Gayler v. Wilder, 10 How. 477, 496-497.

But this doctrine has no application to patentable subject matter other than an art or process, of which knowledge is no longer obtainable.

Walker on Patents, Sec. 71

h. Practical Use.

"Anticipatory matter which has never gone into practical use is to be narrowly construed."

Simonds Rolling Mach. Co. v. Hathorn Mfg. Co.
90 Fed. 201, 203.

i. Possible modification of prior device.

"It is not sufficient to constitute an anticipation, that the device relied on, might by modification, be made to accomplish the functions performed by the patent (in suit); if it were not designed by its maker, nor adapted, nor actually used, for the performance of such functions."

Topliff v. Topliff, 145 U.S. 156, 161.

3. PRIOR PRINTED PUBLICATION OTHER THAN PATENT

a. Requisites.

- (1) Publication prior to invention of patent.
- (2) For public distribution and accessible to public.
- (3) Specific disclosure of operative art or device.

b. Printed Publication Defined.

"A printed publication is anything which is printed, and, without any injunction to secrecy, is distributed to any part of the public in any country."

Walker on Patents, Sec. 56.

c. Disclosure of Prior Publication to negative novelty must be full and complete.

The information given by the prior publication must be in such full, clear and exact terms as to enable any person skilled in the art or science to which it relates to perform the process or make the thing disclosed.

Seymour v. Osborne, 11 Wall. 516, 555.

Carnegie Steel Co. v. Cambria Iron Co., 89 Fed. 721, 737.

d. Publication in Foreign Country.

A foreign publication is specifically included in the statute (Sec. 4886) as a prior publication. But prior use and knowledge in a foreign country will not otherwise negative novelty.

Revised Statutes, Sec. 4923.

E. Drawings as Prior Publications.

A mere drawing will ordinarily not be a sufficient disclosure unless in connection with a full description.

New Process Fermentation Co. v. Koch, 21 Fed. 580 587.

But a published drawing or cut containing the design is sufficient in itself to constitute anticipation of a design patent.

Britton v. White, 61. Fed. 93.

4. PRIOR PATENT.

a. Requisites.

- (1) Must be published before date of invention it is claimed to anticipate.
- (2) Public document and accessible to public.
- (3) For the same art or thing.
- (4) Complete and specific disclosure of operative art or device.

- b. "Paper patent" or patent covering device never in commercial use.

A paper patent may negative novelty unless it be shown that the same is inoperative, or that the defects, if any there be, could not be obviated by mechanical skill.

Edwin Miller & Co. v. Meriden Bronze Co., 79 Off. Gaz. 1520.

- c. Prior Abandoned Application is not a prior publication.

The Corn Planter Patent - 23 Wall. 181, 211.

- d. Foreign Patent.

A foreign patent does not become an anticipation until it is actually published. Thus English patents are not published until the date of ensealing; French patents are not published until sealed and enrolled; German patents are not published until the date of "ausgegeben".

5. GENERAL CONSIDERATIONS.

- a. Publication Prior to Invention.

A publication to constitute an anticipation must be prior to actual date of invention, not merely prior to date of filing of application.

Von Schmidt v. Bowers, 80 Fed. 140.

Plow Works v. Starling, 140 U.S. 198.

- b. To constitute an anticipation all of the elements or equivalents of the invention must be present.

Ottuma Box Car Loader Co. v. Christy Box Car Loader Co., 215 Fed. 362.

A combination "can only be anticipated by a prior device having identically the same elements or the mechanical equivalents of those that are not used. It will not do to find in older devices a portion of these elements in one machine, another portion in a second machine, another in a third and so on, and then say that this device is anticipated."

Worewick Mfg. Co. v. Steiger, 17 Fed. 250, 252.

- c. "That which infringes, if later, would anticipate if earlier."

American Tobacco Co. v. Streat, 83 Fed. 700, 703.

Miller v. Eagle Mfg. Co., 151 U.S. 186, 203.

This rule must be considered in connection with other rules of patent law. Taken literally it is too broad and overlooks the distinction between primary and secondary patents.

Walker on Patents, Sec. 62.

- d. A similar device to anticipate patented invention must perform same function.

Morey v. Lockwood, 8 Wall. 230, holding soft bulb syringe not anticipated by soft rubber cylinder with metallic heads.

Metheson v. Campbell, 77 Fed. 282.

- e. Novelty may be present in a combination even though all its elements are old.

Hav v. S.F. Heath Cycle Co., 71 Fed. 411.

Cantrell v. Wallick, 117, U.S. 689, 694.

- f. Want of novelty must be proved beyond a reasonable doubt.

The Barbed Wire Patent, 143, U.S. 275, 284.

Coffin v. Ogden, 18 Wall. 120, 124.

- g. Publication or Use more than two years prior to application.

An inventor is given by statute (Sec. 4886) not exceeding two years to publicly discuss or to practice his invention, if he so desires, before he files his application for a patent. If he delays over two years he loses his right to a patent.

Egbert v. Lippman, 104 U.S. 333.

Swain v. Holyoke Mach. Co. 111 Fed. 408.

But where an experimental use is necessary for the purpose of testing the invention, a public use for such purposes may exceed the two years.

City of Elizabeth v. Pavement Co., 97 U.S. 126.

h. The invention of Design Patents must be novel.

Braddock Glass Co. Ltd. v. Macbeth, 64 Fed. 118

6. UTILITY. (The invention must be useful)

a. Utility Defined.

"To possess utility a thing or a process must be capable of producing a result, and that result must be a good result. Both these meanings in here in the meaning of the word."

Walker on Patents, Sec. 77.

b. Utility is necessary to Patentability. (Revised Stats. Sec. 4886) Invention must be disclosed in operative form.

Manhattan Book Casing Machine Co. v. E. C. Fuller Co. 274 Fed. 964.

c. Mere utility does not establish patentability. It is not every slight improvement, however useful, that is the result of the inventive faculty.

Shoe v. Gimbel, 96 Fed. 96, 99.

d. Degree of Utility is not vital.

"It is very well settled that the courts will not be very rigid as to the degree of utility. ... If the invention be useful in any degree, and not absolutely worthless, the patent will be sustained."

Vance v. Campbell, 28 Fed. Cas. 956.

e. Inoperativeness is fatal to utility.

Bliss v. Brooklyn, 3 Fed. Cas. 706.

Burrall v. Jewett, 2 Paige 143.

f. Utility is negatived by evil tendency of invention. An invention has no utility if it is injurious to the morals, the health or the good order of society.

Bedford v. Hunt, 3 Fed. Cas. 37.

But if invention accomplishes a good result, it is immaterial that it may be used for a bad result.

Fuller v. Berger, 120 Fed. 274.

Citing Walker on Patents, Sec. 82.

- g. Patent is void for want of utility where exercise of invention is injurious or destructive of the articles to be treated.

Klein v. Russell, 19 Wall, 433, 467.

- h. Utility of an article of manufacture may reside in its beauty or decoration.

Magic Ruffle Co. v. Douglas, 16 Fed. Cas. 394.

- i. Utility must be gaged by the state of the art at the time the patent was applied for.

Westinghouse Electric & Mfg. Co. v. Beacon Lamp Co. 95 Fed. 462, 464.

- j. Utility in most cases is a question of fact. It usually depends upon the evidence resulting from actual experiment.

Mitchell v. Tilghman, 86 U.S. 287.

- k. The patent itself is prima facie evidence of utility.

Vance v. Campbell, 28 Fed. Cas. 956.

- l. Effect of Infringer using patented device.

"That which is used is useful. A thing to be useless can have no utility whatever. A patent is never declared invalid upon this ground, at the instance of one who is deriving benefit by infringing upon its claims.

La Rue v. Western Electric Co., 31 Fed. 80, 82.

- m. General use of invention is evidence of Utility.

Goodyear Dental Vulcanite Co. v. Smith, 10 Fed. Cas. 743

- n. Design Inventions.

The word "useful" is no longer used in the statute relating to design patents, so that utility has ceased to be an element of design patents.

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SYNOPSIS OF LECTURE V.

1. THE UNITED STATES PATENT OFFICE.

a. History.

Under Patent Act of 1790 (1 Stat. L. 109), a petition for a patent could be made to the Secretary of State, Secretary of War, and the Attorney General, and would issue, if any two of them approved, for a term not exceeding fourteen years. Under Patent Act of 1793 (1 Stat. L. 318) the petition was to be directed to Secretary of State alone. Comparatively few patents issued under these acts. In 1836, an act was passed establishing a patent office under a Commissioner of Patents, and inaugurating the present system of examination, and many other features as they exist today. The Acts of 1870 and 1875 were revisions based upon this Act and are the foundation of the present existing law.

b. Patent Office is within Department of the Interior.

U.S. Rev. Stats. Sec. 475.

c. Officers and Employees of Patent Office.

The present force of the Patent Office comprises the Commissioner of Patents, two Assistant Commissioners, five Examiners in Chief, An Examiner of Interferences, forty-seven principal Examiners, and numerous other officers, clerks and employees about 525 in number.

d. Number of Patents issued.

All of the patents from the patent issued July 28, 1836, which is numbered One, have been numbered consecutively to date. The first patent issued in 1922 was numbered 1,401,948, and the whole number of patents issued in 1921 was 41,401.

e. Duties of Commissioner of Patents.

"The Commissioner of Patents, under the direction of the Secretary of the Interior, shall superintend or perform all duties respecting the granting and issuing of patents directed by law; and he shall have charge of all books, records, papers, models, machines, and other things belonging to the patent Office."

U.S. Revised Stats. Sec. 481.

But note Secretary of Interior has no supervisory power over Commissioner's action in awarding or refusing a patent to an applicant, such action being quasi-judicial.

Butterworth v. Hoe, 112 U.S. 50.

f. Duties of Examiners-in-Chief.

"The examiners-in-chief shall be persons of competent legal knowledge and scientific ability, whose duty it shall be, on the written petition of the appellant, to revise and determine upon the validity of the adverse decisions of examiners upon the applications for patents, and for reissue of patents, and in interference cases."

U.S. Revised Stats. 482.

g. Duties of Examiner of Interferences.

It is the duty of the Examiner of Interferences to take jurisdiction of all interferences after the institution and declaration thereof.

Patent Office Rule 101.

h. Duty of Primary or Principal Examiner.

The Primary Examiner is a quasi-judicial officer under the Commissioner. It is his duty to examine all applications in the first instance and to pass upon all defects of form and substance.

i. Correspondence with Patent Office.

All business with the Patent Office should be transacted in writing, and all office letters must be directed to the Commissioner of Patents.

Patent Office Rules, 1 and 2.

2. APPLICATION FOR PATENT.

a. Formal Requisites.

- (1) First fee of Twenty Dollars. (Act of February 18, 1922)
- (2) Petition
- (3) Specification.
- (4) Oath
- (5) Drawings (when required)

Patent Office Rule 30.

Formal papers must be in English Language and legibly written or printed in permanent ink. All parts must be received before application is placed on file. Applications unsigned or changed after being signed will be stricken from the files.

Patent Office Rules 30 and 31.

b. Language of Statute.

"Before any inventor or discoverer shall receive a patent for his invention or discovery, he shall make application therefor, in writing, to the Commissioner of Patents, and shall file in the patent Office a written description of the same, and of the manner and process of making, constructing, compounding, and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art or science to which it appertains, or with which it is most nearly connected, to make, construct, compound, and use the same; and in case of a machine, he shall explain the principle thereof, and the best mode in which he has contemplated applying that principle, so as to distinguish it from other inventions; and he shall particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery. The specification and claim shall be signed by the inventor. "

U. S. Revised Laws, Sec. 4888.

c. All essential requisites must be complied with or patent issued on application will be declared void.

Eagleton Mfg. Co. v. West &c. Mfg. Co. 111 U.S. 490

d. Serial Number

The serial number given to any application is the number given it in regular order of filing, the present series having been commenced Jan. 1, 1915.

Patent Office rule 31.

e. Pending applications are kept secret.

Ex parte Neale, 15 Off. Gaz. 511.

f. Examination on Filing.

On the filing of the application the Commissioner of Patents is required to cause an examination of the alleged new invention to be made.

U.S. Revised Laws, Sec. 4893

But the Patent Office is not required in advance of filing to respond to inquiries as to the novelty of an invention.

Patent Office Rule 14.

g. Joinder of Inventions

"Two or more independent inventions can not be claimed in one application; but where several distinct inventions are dependent upon each other and mutually contribute to produce a single result they may be claimed in one application."

Patent Office Rule 41.

h. Incomplete Application.

The application must be completed and prepared for examination within one year or it becomes abandoned.

Patent Office Rule 31.

It is desirable that all parts of the application be filed at one time, otherwise a letter must accompany each part, accurately and clearly connecting it with other parts of the application.

Patent Office Rule 32.

i. Office Fees.

- (1) On filing application (First fee) \$20.00
- (2) On final allowance (final fee) 20.00
- (3) In Design Cases:
 - For 3 years and 6 months 10.00
 - For 7 years 15.00
 - For 14 years 30.00

j. Ordinary Course of Application Through the Patent Office.

- (1) Receipt of Application at Patent Office, and transference to proper division for examination.
- (2) Action by Examiner, including rejection or allowance.
- (3) Response by applicant, including arguments and amendments.
- (4) Further actions by Examiner and responses by applicant.
- (5) Final rejection.
- (6) Appeal from Primary Examiner on final rejection.
 - (a) On matters of substance, to Board of Examiners in Chief.
 - (b) On matters of form, direct to Commissioner of Patents.
- (7) Appeal from Examiners in Chief to Commissioner of Patents.
- (8) Interferences.
 - (a) Proceedings before Examiner of Interferences
 - (b) Appeal to Board of Examiners in Chief
 - (c) Appeal to Commissioner of Patents.
- (9) Final allowance and Issue of Patent.

3. THE PETITION

a. Requisites.

- (1) Addressed to Commissioner of Patents.
- (2) Statement of name, residence and Post Office address of petitioner.
- (3) Request that patent be granted to petitioner.
- (4) Designation of title of invention.
- (5) Reference to specification for full disclosure.
- (6) Signature of inventor if alive and mentally competent, otherwise by his legal representative.

Patent Office Rule. 33.

b. Power of Attorney.

A power of attorney appointing a registered patent attorney the attorney of the applicant is ordinarily incorporated in the petition.

Patent Office Rules, Form 4 page. 66.

4. THE SPECIFICATION.

a. Objects.

- (1) To make a full and clear disclosure, so that at the end of the term of the patent, the invention becomes available to the public.
- (2) To set forth the precise scope of the patent and the exact field from which all others than the patentee are to be excluded during the term of the patent.
- (3) Robinson on Patents, Sects. 481, 483.

Tucker v. Tucker Mfg. Co., 24 Fed. Cas. 279.

b. Arrangement of Specification.

"The following order of arrangement should be observed in framing the specification.

- (a) Preamble stating the name and residence of the applicant and the title of the invention.
- (b) General statement of the object and nature of the invention.

(c) Brief description of the several views of the drawings (If the invention admit of such illustration).

(d) Detailed description.

(e) Claim or claims.

(f) Signature of Applicant."

Patent Office Rule 39.

c. The description of the specification is addressed to those persons who are skilled in the art or science to which it appertains.

U.S. Revised Statutes 4888

O'Reilly v. Morse, 15 How. 62

No further experiment should be required adequately to determine the manufacture or use of the invention.

Tyler v. Boston, 7 Wall. 327, 330

d. Detailed Description of Preferred form of Construction.

The specification should set forth a full and complete description of the preferred form of the invention, and explain the principle or mode of operation thereof, in such manner as to distinguish it from other inventions.

Patent Office Rule 35.

e. Correctness of Description.

While the description should be correct, absolute precision as to details is not required, and mere technical or immaterial defects should be disregarded.

Dorsey Harvester Revolving Rake Co. v. Marsh, 7 Fed. Cas. 939, 944.

Adams v. Joliet Mfg. Co. 1 Fed. Cas. 123.

Examples:

Wrong nomenclature, erroneous theories, misstatements as to result of invention.

f. Mere Improvement Inventions

In case of mere improvements, the specification must clearly distinguish between what is old and what is claimed to be new.

Patent Office Rule 36.

g. The Specification must be construed as a whole with other parts of the application.

Howe v. Nute, 12 Fed. Cas. 725.

h. Ambiguity in a specification is fatal thereto where the true meaning cannot be ascertained without resorting to conjecture.

Blake v. Stafford, 3 Fed. Cas. 610.

i. A wilfully false suggestion in a material fact in a specification is fatal thereto.

Delano v. Scott, 7 Fed. Cas. 378, 382.

j. Claims

The specification must conclude with a specific and distinct claim or claims of the part, improvement or combination which the applicant regards as his discovery.

U.S. Revised Statutes, Sec. 4888.

Patent Office Rule 37.

The claims are the measure of the patent.

Ex Parte Holt, 29 Off. Gaz. 171

k. Signature.

The specification must be signed by the inventor, if alive and mentally competent, otherwise by his legal representative. Full names must be given, and all names legibly written.

Patent Office Rule 40.

5. OATH

a. A prerequisite to the granting of a patent, but not essential to its validity.

Whittemore v. Cutter, 29 Fed. Cas. 1120, 1121.

b. Requisites.

- (1) Must be made as to inventor's belief on oath or affirmation.
- (2) Must state inventor believes himself original and first inventor.
- (3) Must state inventor does not know and does not believe subject matter was ever used before his invention.
- (4) Must state of what country the inventor is a citizen and where he resides.
- (5) Must state if sole or joint inventor.
- (6) Must state invention has not been in public use or on sale in U. S. for more than two years prior to his application.
- (7) Must state invention not patented or described in any printed publication in any country before his invention, or more than two years prior to his application.
- (8) Must state invention not patented in any foreign country on an application filed by himself or his legal representatives or assigns more than twelve months prior to his application in this country.
- (9) Must state if any application filed abroad by Applicant or his legal representatives or assigns prior to his application here, stating the country and date of application, and shall state that no application has been filed in other countries.
- (10) If no application has been filed in any foreign country applicant must so state.
- (11) Oath must be subscribed by the affiant.

Patent Office Rule 46.

c. Must be made before an officer authorized to administer oaths.

Patent Office Rule 47.

- d. Where oath is made by an executor, administrator, guardian or legal representative of inventor, the relationship of the affiant to the inventor shall be alleged.

Patent Office Rule 46.

e. Additional Oath.

Additional oath may be required where applications are not filed within reasonable time after execution of original oath.

Patent Office Rule 46.

f. Supplemental Oath for Matter not originally claimed.

When an applicant presents a claim for matter originally shown and described but not originally claimed, he is required to file a supplemental oath.

Patent Office Rule 48.

George Cutter Co. v. Metropolitan Electric Mfg. Co., 275 Fed. 158

6. DRAWINGS

a. Required when nature of case admits.

Patent Office Rule 50.

b. Signature.

May be signed by inventor, his legal representatives or his attorney; usually the latter.

Patent Office Rule 50.

c. Uniform Standard of Requirements.

These requirements are very technical in character and can best be understood and followed by a competent draftsman. They are fully set forth in Patent Office Rule 52.

7. MODELS AND SPECIMENS

A model will not be admitted except when the primary examiner finds it to be necessary or useful. Specimens of a composition of matter shall be supplied only when required by the Commissioner.

Patent Office Rules 56 and 62.

8. DESIGN PATENTS.

"The following order of arrangement should be observed in framing design specifications:

- (a) Preamble, stating name and residence of the applicant, title of the design, and the name of the article for which the design has been invented.
- (b) Description of the figure or figures of the drawing.
- (c) Claim.
- (d) Signature of applicant."

Patent Office Rule 82.

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SYNOPSIS OF LECTURE VI

A. CLAIMS AND THEIR RELATION TO THE PATENT.

1. Necessity for Claim.

The applicant is required by law to "particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery".

U. S. Rev. Stats. Sec. 4888.

"Nothing described in letters patent is secured to the patentee unless there be in the letters a valid claim covering it".

Maddeck v. Coxon, 45 Fed. 578, 579.

2. Claim in early days of patent system.

In the earlier federal statutes no mention is made of the necessity for a claim, and the nature and scope of the invention had to be determined from the specification.

3. No precise form of words is required in setting forth the claim.

Wyeth v. Stone, 30 Fed. Cas. 728.

4. The scope of letters patent is bounded by the claim.

Burns v. Meyer, 100 U.S. 671.

5. "The claim is the life of the patent".

Robinson on Patents, Sec. 505.

6. Each claim may be regarded in the light of a separate patent.

Celluloid Mfg. Co. v. Zylonite Brush & Comb Co., 27 Fed. 291, 294.

7. All matters not included within the claims are by implication dedicated to the public.

Jewell Filter Co. v. Jackson, 140 Fed. 340.

8. Claims are to be construed in the light of the state of the art as it existed at the time of the invention.

Brown v. Piper, 91 U. S. 37, 41.

A Claim which reads upon the prior art is too broad, and is invalid.

9. "A patent may be valid as to a single claim and not valid as to others".

Russell v. Place, 94 U.S. 606, 609.

10. A claim is not like a nose of wax.

"Some persons seem to suppose that a claim in a patent is like a nose of wax which may be turned and twisted in any direction, by merely referring to the specification, so as to make it include more than, or something different from, what its words express. The context may, undoubtedly, be resorted to, and often is, for the purpose of better understanding the meaning of the claim; but not for the purpose of changing it, and making it different from what it is."

White v. Dunbar, 119 U.S. 47, 51-52.

11. The broader the claim, the fewer the elements it will be found to contain.

Every invention contains certain essential elements which enter into all forms thereof and embody the essence of the subject matter. A broad claim is the invention reduced to its lowest, and therefore fewest, terms.

B. GENERAL RULES AS TO CLAIMS.

1. The claims of a patent are to be fairly construed to cover the invention if possible.

"The claims of a patent are to be fairly construed

so as to cover, if possible, the invention, and thus save it, especially if it be a meritorious one. In approaching a patent, we are to look primarily at the thing which the inventor conceived, and described in his patent, and the claims are to be interpreted with this particular thing ever before our eyes."

Mossburg v. Nutter, 135 Fed. 95.

McClain v. Ortmyer, 141 U.S. 419.

in re Harbeck, 191 Off. Gaz. 586.

2. Claims are to be construed in the light of the specification.

"It is ... well settled that the claims of a patent are to be construed by reference to the specifications (of which the drawings form a part), and that such reference may be had, not for the purpose of expanding the claim, but for the purpose of defining it and limiting it to the description of the invention".

Lamb Knit Goods Co. v. Lamb Glove & Mitten Co., 120 Fed. 267.

Soehner v. Favorite Stove & Range Co., 84 Fed. 182, 185.

Mossburg v. Nutter, 135 Fed. 95, 99.

But there is no principle of law which authorizes a court to read into the claim an element which is not present for the purpose of making out a case of novelty or infringement.

McCarthy v. Lehigh Valley R.R. Co. 160 U.S. 110.

3. An applicant is entitled to make both generic and specific claims.

A generic claim is one which covers the invention in the broadest possible manner, while a specific claim is much narrower in character. Where the applicant's invention is capable of being embodied in several species, he is entitled to a generic claim covering all species, but may cover only one species in his specific claims. If he desires to cover the other species he must file separate applications therefor.

Ex parte Eagle, 1870 C.D. 157.

4. An applicant is entitled to make claims for combinations and sub-combinations.

Not only may the applicant make a claim for a combination of the elements required for the operation of the complete machine, but he may make a valid sub-combination claim for a less number of elements where a new and useful result is thereby accomplished.

Howe v. Williams, Fed. Cas. #6, 778.

Clark Blade & Razor Co., v. Gillette Safety Razor Co., 194 Fed. 421.

Chambers etc. Co. v. Faries, 64 Fed. 587, 588.

Taylor v. Sawyer Spindle Co., 75 Fed. 301, 309.

Thomson-Houston Etc. Co. v. Black River Traction Co. 135 Fed. 759, 763.

5. The Claims are to be given reasonable range of equivalents.

"The range of equivalents depends upon the extent and nature of the invention. If the invention is broad or primary in its character, the range of equivalents will be correspondingly broad, under the liberal construction which courts give to such inventions."

Miller v. Eagle Manufacturing Co. 151 U.S. 186, 207.

Sessions v. Romadka, 145 U.S. 29, giving liberal construction for a claim for a trunk fastener.

Winans v. Denmead, 15 How. 330, holding a car body of a pyramidal form to be the mechanical equivalent of a car body in the form of a frustum of a cone.

6. The courts have no right to enlarge a patent beyond the scope of its claim.

Keystone Bridge Co. v. Phoenix Iron Co., 95 U.S. 274, 278.

7. Aggregation or catalogue claims are void.

"A combination of well known separate elements, each of which, when combined, operates separately and in its old way, and in which no new result is produced which cannot be assigned to the independent action of one or the other of the separate elements, is an aggregation of parts merely, and is not patentable."

Standard Oil Co. v. Southern Pacific Co. 54 Fed. 521, 526.

Ex Parte Iagan, 162 Off. Gaz. 538, holding a claim which was a minute inventory of every detail of applicant's device, void as an aggregation.

8. Use of reference numerals or letters in Claims.

Letters and numerals used in the specification and drawing to identify the various parts of the preferred form of the invention are sometimes used in the claims for the same purpose. This is ordinarily not good practice, because it renders the claim too specific, although it has been held the claim is not thereby limited to the specific mechanism shown, unless the prior art so requires.

Campbell Printing Press and Mfg. Co. v. Marden 64 Fed. 782-785.

Knapp v. Morss, 150 U.S. 221, 228

9. The claims of a Patent will be construed in the light of the commercial use or commercial success of the invention.

Boston Woven Hose & Rubber Co. v. Pennsylvania Rubber Co., 164 Fed. 557.

Hall Signal Co. v. General Ry. Signal Co., 169 Fed. 290.

10. The claims should not be needlessly multiplied.

"Where a specification by ambiguity and a needless multiplication of nebulous claims is calculated to deceive and mislead the public, the patent is void."

Carlton v. Bokee, 17 Wall. 463, 472.

11. Claims allowed by the Patent Office must be read and interpreted with reference to rejected claims.

An allowed claim cannot be construed so as to cover either what was rejected by the Patent Office or disclosed by prior devices.

Hubbell v. United States, 179, U.S. 77, 80.

12. A claim must not include alternative elements.

An alternative claim is one which is indefinite as to one of its elements, substitutes therefor being specified.

Examples:

"Brick or the like"

Calowell & Parr, 120 Off. Gaz. 2125.

"Asbestos or its equivalent"

Ex Parte Phillips, 135 Off. Gaz. 1801

"Brake or locking device"

Ex Parte Leon, 164 Off. Gaz. 250.

13. All claims must be for operative means.

Bliss v. Brooklyn, 3 Fed. Cas. 707, #1, 546

Tarrant v. Duluth Lumber Co., 30 Fed. 830.

Manhattan Book Casing Co., v. E. C. Fuller Co. 274 Fed. 964

14. Functional Claims are invalid.

"A valid patent cannot be secured for a function, a mode of operation or a result, separate from the means or mechanical devices by which the result is accomplished."

Union Match Co. v. Diamond Match Co. 162 Fed. 148, 151.

O'Reilly v. Morse, 15 How. 620.

15. Intangible Elements in a Claim are not permitted.

Examples:

Openings, slots or grooves.

To impart such matters into a claim, they must be mentioned as associated with tangible elements.

Ex Parte Davin, 99 Off. Gaz. 452; 1902 C.D. 251

16. Use in claims of "Means", "Mechanism", and "Appliances".

As inclusive terms, the words "means", "mechanism", and "appliances" are often employed in claims. No general rule can be laid down concerning the employment of such words, except that they should be given a breadth of meaning commensurate with the extent and importance of the invention.

Ex Parte Pacholder, 51 Off. Gaz. 295; 1890 C.D. 55.

17. Elements must be positively, not inferentially, set forth in a claim.

In re Vinke, 96 Off. Gaz. 2061; 1901, C.D. 124

In re Dodge, 125 Off. Gaz. 665; 1906 C.D. 439

18. Form, location and sequence of elements.

"Form, location and sequence of elements are all immaterial, unless form or location or sequence is essential to the result, or indispensable, by reason of the state of the art, to the novelty of the claim."

Adams v. Folger, 120 Fed. 260, 263.

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SYNOPSIS OF LECTURE VII

A. The Examination

1. Effect of filing application

Upon the filing of any application for patent it is the duty of the Patent Office to cause an examination to be made.

2. Formal Receipt

When an application is properly filed, a formal receipt is sent to the applicant or his attorney, acknowledging receipt, setting forth the date of receipt, serial number, and title of the invention.

3. Statutory Provision

"On the filing of any such application and the payment of the fees required by law, the Commissioner of Patents shall cause an examination to be made of the alleged new invention or discovery; and if on such examination it shall appear that the claimant is justly entitled to a patent under the law, and that the same is sufficiently useful and important, the Commissioner shall issue a patent therefor."

U.S. Revised Stats. Sec. 4893.

4. Order of Examination.

Applications are first classified, and then are taken up in regular order within the class and examined and disposed of. Amended applications have preference over new applications.

Patent Office Rule 63.

5. Privileged Cases.

The following cases are preferred over all others in the order enumerated:

- a. Applications important to some branch of the public service.
- b. Applications for reissues.
- c. Cases remanded by an appellate tribunal.
- d. Applications interfering with allowed applications or unexpired patents.
- e. Renewed or revised applications.
- f. Applications filed more than twelve months after filing of foreign application for same invention.

Patent Office Rule 63.

6. First Office Action.

Upon the application being reached in regular order by the Examiner, he will in his first office letter give consideration to the following:

- a. Formal requirements and the pointing out of errors and mistakes.
- b. Consideration of the merits, including division.

Note, however, that if division is required, action on the merits is ordinarily suspended until division is made or the requirement withdrawn.

7. Division

Division is usually required where the applicant has joined in one application two or more independent inventions. Where, however, such inventions are dependent upon each other and mutually contribute to produce a single result, they may be joined. From the requirement of division, an appeal lies to the Examiners in Chief. If division is made, an application should be promptly filed for the matter divided out, otherwise dedication to public may be presumed upon issue of original patent before filing of the divisional application.

Patent Office Rules 41, 42.

Ex parte Roberts, 40 Off. Gaz. 573.

But where it clearly appears that the inventions are absolutely independent, no such dedication can be presumed and the divisional application may be filed any time within two years after the issue of the original patent.

Ex parte Mullen & Mullen, 50 Off. Gaz. 837.

8. General Rules of Practice.

(1) The first action (unless there are vital objections as to form) should state all the objections to every part of the application, both as to form and merits, and the best references should be cited.

(2) The application as a whole should not be rejected, but only the claims thereof.

(3) Rejection should be in plain, unmistakable terms, and the word "reject" should be used.

(4) Final rejection may be made before all matters of form are settled, but formal matter should be disposed of before an appeal is taken.

(5) Final rejection should not be given until all the non-allowable claims are in condition for such action.

Ex Parte Eastman, 1891 C.D. 178.

Ex Parte Severy, 1901 C.D. 244

9. Advancing applications for Examination.

"Applications will not be advanced for examination excepting upon order of the Commissioner either to expedite the business of the office or upon a verified showing that delay will probably cause the applicant serious and irreparable injury" .

Patent Office Rule 63.

10. Examiners must act on the merits where invention is readily understood.

"Where the specification and claims are such that the invention may be readily understood, the examination of a complete application and the

action thereon will be directed throughout to the merits; but in each letter the examiner shall state or refer to all his objections."

Patent Office Rule 64.

11. Final Allowance on First Office Action.

If the Examiner after making his examination in connection with the prior art, finds that the application is unobjectionable both as to form and substance, he will as his first office action issue notice of final allowance. Such action is, however, very rare.

B. REJECTIONS AND REFERENCES

1. Rejection of claims and notice to applicant.

Where any of the claims of the application are rejected, the applicant or his attorney must be notified, and given full and precise reasons for such rejection, together with such information and references as might be useful in aiding the applicant to judge of the propriety of further prosecuting his application or of altering his specification. If the applicant after receiving such notice still persists in his claim with or without altering his specification, the application shall be re-examined, and if the claim be again rejected, the reasons therefor must be fully and precisely stated.

U.S. Revised Stats. Sec. 4903.

Patent Office Rule 65.

2. General Grounds for Rejection.

The general grounds for the rejection of an application and claims include the statutory grounds set forth in U.S. Revised Statutes Sec. 4886. Claims may also be rejected because broader than the specification, because of duplication, inoperativeness, insufficiency of disclosure in the specification, etc.

3. Citation of References.

It is the duty of the examiner, in acting on the merits, to make a thorough investigation of the prior art, and upon rejection, to cite the best references. The pertinency of such references where not obvious must be clearly explained.

Patent Office Rule 66.

Domestic and foreign patents, when cited, must be fully identified so that the applicant may be able to locate the same.

Patent Office Rule 66.

It is common for an examiner to cite several references against a claim on the ground that no invention resides in the combination of old elements shown in the prior devices. Where, however, more than three references containing different elements are required to meet a combination claim, it is ordinarily considered good practice to allow the claim.

4. Facts within knowledge of Office Employees and Affidavit thereon.

Where reference is made by the Examiner to facts within the personal knowledge of an employee of the office, and data shall be as specific as possible, and under oath if requested by the applicant, who in such case may offer affidavits in opposition thereto.

Patent Office Rule 66.

5. Adverse Decisions without rejection of claims.

"Whenever, in the treatment of an ex parte application, an adverse decision is made upon any preliminary or intermediate question, without the rejection of any claim, notice thereof, together with the reasons therefor, will be given to the applicant, in order that he may judge of the propriety of the action. If, after receiving this notice, he traverse the propriety of the action, the matter will be reconsidered."

Patent Office Rule 67.

C. AMENDMENTS AND ACTIONS BY APPLICANTS

1. Action of applicant after Rejection.

After rejection, the applicant, may formally abandon his application, or he may amend it, or he may insist upon his original application as filed and take issue with the Examiner.

2. Right to Amend and Requisites of Amendments.

"The applicant has a right to amend before or after the first rejection or action; and he may amend as often as the examiner presents new references or reasons for rejection. In so amending the applicant must clearly point out all the patentable novelty which he thinks the case presents in view of the state of the art disclosed by the references cited or the objections made. He must also show how the amendments avoid such references or objections.

Patent Office Rule 68.

Note: While the right to amend is specifically recognized in the above rule, such right under the Patent Laws is founded solely upon inference from the wording of U. S. Rev. Stats. 4888, setting forth the requisites of an application.

Parks v. Booth, 102 U.S. 96.

3. Time within which to Amend.

Amendment or other action on the part of the applicant responsive to the last official action must be made or taken within one year thereafter or the application becomes abandoned.

U.S. Rev. Stats. 4894

Patent Office Rule 171

But even after the abandonment of the old application, a new application for the same subject matter may be filed and acted upon anew.

4. Request for Reconsideration.

To be entitled to reconsideration, the applicant must make written request therefor, and at the same time must specifically point out the supposed errors of the Examiner and respond in detail to all office objections. Reconsideration will not be granted upon the mere allegation that the Examiner has erred.

Patent Office Rule 69.

5. New Matter.

Amendments of the drawing or specification must conform to the application as originally filed.

Patent Office Rule 70.

"The applicant will not be permitted, under the guide of an amendment, to introduce into his application a wholly different invention, nor to change the construction and operation of an invention which has been fully described and shown, nor to present a different or preferable form of his invention."

Ex parte Snyder, 22 Off. Gaz. 1975.

In the case of new matter, a new application may be filed.

Ex Parte Thurmond, 37 Off. Gaz. 217.

6. Inaccuracies or Unnecessary Prolixity.

"The specification and drawing must be amended and revised when required, to correct inaccuracies of description or unnecessary prolixity, and to secure correspondence between the claim, the specification and the drawing. But no change in the drawing may be made except by written permission of the office and after a photographic copy of the drawing as originally presented has been filed."

Patent Office Rule 71.

7. Specification not to be returned.

After filing of application, the office will not return the original specification for any purpose, but will furnish copies upon the usual terms.

Patent Office Rule 72.

8. Return of drawing for correction.

The drawing will be returned only for such corrections as cannot be made by the office, and even in such case a photographic copy of the original drawing must be filed.

Patent Office Rule 72.

9. Amendments must be Specific.

Amendments must be written upon one side of sheets of paper separate from the original application, and must specify the exact words to be erased or inserted. The precise point where the erasure or insertion is to be made must be indicated.

Patent Office Rule 73.

10. Amendment of Amended Clause.

When a clause, which has been inserted by amendment, is also to be amended, such clause as finally amended should be wholly rewritten.

Patent Office Rule 74.

11. Claims not Specifically Rejected or Referred to by the Examiner, are inferentially allowed.

12. Final Rejection.

Final rejection occurs after Examiner has twice acted upon the same question adversely to the applicant, as where he has twice rejected the claims, or twice insisted upon the requirement of division. Such action is a prerequisite to an appeal to the Examiners in Chief on the merits.

Patent Office Rules 133 et seq.

While the words "final rejection" are used technically in the office to mean rejection upon the merits, it is to be noted that on matters of form where the examiner has twice acted, a petition will lie to the Commissioner, who may grant a hearing in his discretion.

Patent Office Rule 142.

Before appeal from the final rejection of the claims can be made, all non-allowable claims must have been twice rejected and all matters settled not affecting the merits of the invention.

Patent Office Rule 134.

Ex Parte Eastman, 57 Off. Gaz. 410.

Ex Parte Severy, 1901 C.D. 244.

13. Affidavits in Answer to Rejection.

A rejection may be met by affidavits in the following instances:

- a. Where applicant makes oath as to completion of his invention, prior to foreign patent or publication or prior to domestic patent showing but not claiming invention and more than two years prior to applicant's filing date.

Patent Office Rule 75.

- b. Affidavits to meet rejection on the ground of personal knowledge of Patent Office Employee, public use or sale, capability of operation or prior reference, inoperativeness, frivolity, or injurious character of invention. In other cases permission of Commissioner must be secured.

Patent Office Rule 76.

14. Suspension of Application.

Suspensions will only be granted by the Examiner for good and sufficient reasons, and for a reasonable time specified. Additional suspensions after the first suspension must be approved by the Commissioner.

Patent Office Rule 77.

15. Amendments after Appeal.

After final rejection and even after an appeal has been taken, amendments cancelling claims or presenting those rejected in better form for consideration on appeal may be admitted if prompt action is taken. For amendments touching the merits, a showing of good and sufficient reason for their late presentation must be made.

Patent Office Rule 68.

16. Amendments after Notice of Allowance.

"Amendments after the notice of allowance of an application will not be permitted as a matter of right, but may be made, if the specification has not been printed, on the recommendation of the primary examiner, approved by the Commissioner, without withdrawing the case from issue."

Patent Office Rule 78.

17. Issue.

A patent will issue upon an application after notice of final allowance and the payment of the final fee within six months of the date of such allowance.

Patent Office Rule 164.

18. Withdrawal from Issue.

After notice of allowance, an application will not be withdrawn from issue except by approval of the Commissioner.

Patent Office Rule 165

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SYNOPSIS OF LECTURE VIII.

A. ABANDONMENT OF APPLICATION FOR PATENT

1. By failure to complete and file all parts of application within one year.

U.S. Revised Stats. Sec. 4694.

Patent Office Rules 31, 171.

2. By failure to prosecute an application within one year after any action thereon. Ibid

To revive the application in either of the above cases after abandonment it must be shown to the satisfaction of the commissioner, that the delay was unavoidable. This rule is strictly interpreted.

Patent Office Rule 172.

Negligence of attorney insufficient to excuse delay.

Ex parte Collins, 97 Off. Gaz. 1372.

3. By failure to pay the final fee within six months after final allowance, and to renew the same within two years thereafter.

Patent Office Rules 174, 175.

Note: In all of the above cases, the ordinary rule as to public use or sale under the statute is applicable. Thus there is nothing to prevent the applicant from filing another application for the same subject matter as the first, unless the statutory bar of two years has run, or unless it is shown the invention has been abandoned.

B. ABANDONMENT OF INVENTION

1. By abandonment of invention is meant the dedication to the public of all of the rights of the inventor thereto.

2. Abandonment may be actual or constructive.

Actual abandonment occurs where it is intentional. Constructive abandonment occurs by reason of the acts of the inventor, as where he makes his invention public and looks on and permits others freely to use it without objection, or assertion of claim to the invention of which the public might take notice.

Pennock v. Dialogue, 2 Peters 1, 13.

Constructive abandonment also occurs because of the lapse of statutory periods within which the inventor is required to act.

3. Effect of abandonment

Where the invention has once been abandoned, the right to a patent is gone. "This inchoate right, once gone, cannot afterward be resumed at his pleasure; for where gifts are once made to the public in this way, they become absolute."

Pennock v. Dialogue, 2 Peters, 1, 16.

4. Abandonment is a question of fact.

Battin v. Taggart, 17 How. 84.

5. How actual abandonment may be accomplished.

Actual abandonment to the public may occur:

- a. By express declarations outside of the Patent Office.

Kendall v. Winsor, 21 How. 322, 329.

- b. By express declarations during the Patent Office Proceedings, as for example,-

- (1) Where the inventor formally abandons his invention as set forth in certain claims.

Leggett v. Avery, 101 U.S. 256, 259.

- (2) Where the inventor files a disclaimer under U.S. Revised Stats. Sec. 4917.

6. Constructive Abandonment under U. S. Revised Statutes occurs:

- a. Where the inventor used or permitted the use of the invention in public for a period of two years prior to the date of his application for patent.

U.S. Rev. Stats. 4886.

- b. Where the inventor did not file his application in this country within twelve months of the filing date of his foreign application, or within four months in case of a design.

U.S. Rev. Stats. Sec. 4887.

7. Abandonment by Laches.

The legal meaning of the word "laches" is "inexcusable delay in asserting a right". 24 Cyc. 840. Accordingly abandonment by laches occurs where an inventor unreasonably delays in applying for a patent after he has completed his invention.

Thus a delay of eight or nine years, unexcused, was held to constitute abandonment.

Consolidated Fruit Jar Company v. Wright, 94 U.S. 92 (Involving a patent for fruit jars)

Excuses for delay may be extreme poverty, inventor in hostile country at war with United States, mental unsoundness, etc.

Smith v. Dental Vulcanite Company, 93, U.S. 486, 491

Craver v. Weyhrich, 31 Fed. 607,

Ballard v. Pittsburgh, 12 Fed. 784.

Where an inventor concealshis invention for the purpose of profit during a long period of years, with the purpose of applying for a patent when such secrecy could no longer be maintained, and use has been begun by others of such invention, his application for patent may be refused because of constructive abandonment or forfeiture of his right to a patent.

Mower v. Duell, 88 Off. Gaz. 191

Macbeth-Evens Glass Co. v. General Electric Co.
246, Fed. 695.

8. Abandonment does not result after issuance of letters patent because of non-user of the invention.

Walker on Patents, Sec. 106.

C. REISSUES

1. Statutory Provision.

"Whenever any patent is inoperative or invalid, by reason of a defective or insufficient specification,

or by reason of the patentee claiming as his own invention or discovery more than he had a right to claim as new, if the error has arisen by inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, the Commissioner shall, on the surrender of such patent and the payment of the duty required by law, cause a new patent for the same invention, and in accordance with the corrected specification, to be issued to the patentee, or, in case of his death or of an assignment of the whole or any undivided part of the original patent, then to his executors, administrators, or assigns, for the unexpired part of the term of the original patent."

U.S. Revised Stats. 4916.

2. Reissue Applications.

a. Must be made and sworn to by inventor if living.

Patent Office Rule 85.

b. Must be accompanied by order for certified copy of abstract of title to be placed in the file giving the names of the assignees, all of whom must assent to the application.

Patent Office Rule 86.

c. Reissue Oath.

"Applicants for reissue, in addition to the requirements of the first sentence of Rule 46, must also file with their petitions a statement on oath as follows:

- (a) That applicant very believes the original patent to be inoperative or invalid, and the reason why.
- (b) When it is claimed that such patent is so inoperative or invalid "by reason of a defective or insufficient specification," particularly specifying such defects or insufficiencies.
- (c) When it is claimed that such patent is inoperative or invalid "by reason of the patentee claiming as his own invention or discovery more than he had a right to claim as new", distinctly specifying the part of parts so alleged to have been improperly claimed as new.

(d) Particularly specifying the errors which it is claimed constitute the inadvertence, accident, or mistake relied upon, and now they arose or occurred.

(e) That said errors arose "without any fraudulent or deceptive intention" on the part of the applicant".

Patent Office Rule 87.

d. New matter not to be introduced in the reissue specification.

Patent Office Rule 88.

e. Original patent must accompany application, with offer of surrender.

Patent Office Rule 91.

3. Purpose of Statute (Sec. 4916)

"the plain purpose of this section is to give the patentee an opportunity to make valid and operative that which was before invalid and inoperative."

McCormick Harvesting Co. v. Aultman, 169 U.S. 606.

4. Delay in Filing Application.

"Due diligence must be exercised in discovering the mistake in the original patent, and ... if it (a reissue) be sought for the purpose of enlarging the claim, the lapse of two years will ordinarily, though not always, be treated as evidence of abandonment of the new matter to the public."

Topliff v. Topliff, 145 U.S. 156, 170-171

Wollensack v. Reiher, 115, U.S. 96, 101.

5. Reissue application must be for same invention as that embodied in the patent.

"Letters patent reissued for an invention substantially different from that embodied in the original patent are void and of no effect, as no jurisdiction to grant such a patent is conferred by any act of Congress upon the Commissioner."

Seymour v. Osborne, 11 Wall. 516.

6. "Inoperative or Invalid" Patent.

"To justify a reissue it is not necessary that the patent be wholly inoperative or invalid. It is sufficient if it fail to secure to the patentee all of that which he has invented and claimed."

Hobbs v. Beech, 180 U.S. 583, 394, where patent was reissued to correct an obvious error in one of the drawings.

7. "Defective or insufficient specification".

"The word 'defective' and the word 'insufficient' are not synonymous of this statute, as at first thought they may appear to be.. The former word means 'bad', and the latter means 'lacking'. A description may be complete, while it is obscure in some of its parts. In such a case, it is defective. On the other hand, it may be perfectly clear, as far as it goes, while omitting all references to some parts of the thing described. In such a case it is insufficient."

Walker on Patents, Sec. 217.

8. Correction of Errors "arisen by inadvertence, accident, or mistake".

Correction of errors not requiring an enlargement of the claims may be permitted upon a proper showing and prompt application.

Great strictness, however, is required where enlarged claims are sought, and where it must be shown that an actual bona fide mistake has been inadvertently committed such as a court of Equity within its ordinary jurisdiction would correct.

Miller v. Brass Co., 104 U.S. 350.

9. Where the claims of the patent are too broad, the usual remedy is disclaimer, not reissue.

Walker on Patents, Sec. 216.

10. Reissue with Enlarged Claims.

- a. The practice of the Patent Office was formerly very liberal relative to granting reissue patents with enlarged claims.
- b. This practice was changed by Miller v. Brass Co., 104 U.S. 350 (1881) involving a patent twice reissued, and holding a delay of 15 years in applying for reissue unreasonable where enlarged claims were sought. "Reissues for the enlargement

of claims should be the exception not the rule". (Page 355). Since this decision the Patent Office has been very strict in reissue cases seeking to broaden the claims.

c. Present Practice.

It is the present practice to allow an application for reissue for enlarged claims where it is apparent it would be unjust to the inventor to act otherwise, provided it is evident there has been a mistake, that there has been no want of reasonable diligence, and that the rights of third persons have not intervened.

Topliff v. Topliff, 145 U.S. 156, 171.

D. DISCLAIMER

1. Statutory Provision.

"Whenever, through inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, a patentee has claimed more than that of which he was the original or first inventor or discoverer, his patent shall be valid for all that part which is truly and justly his own, provided the same is a material or substantial part of the thing patented; and any such patentee, his heirs or assigns, whether of the whole or any sectional interest therein, may, on payment of the fee required by law, make disclaimer of such parts of the thing patented as he shall not choose to claim or to hold by virtue of the patent or assignment, stating therein the extent of his interest in such patent."

U.S. Revised Stats., Sec. 4917.

2. Form of Disclaimer.

"Such disclaimer shall be in writing, attested by one or more witnesses, and recorded in the Patent Office."

U.S. Revised Stats. Sec. 4917.

3. Usually employed for Surrender of Claims.

"A disclaimer is usually and properly employed for the surrender of a separate claim in a patent, or some other distinct and separable matter, which can be excinded without mutilating or changing what is left standing."

Hailes v. Albany Stove Co., 123 U.S. 582, 587.

4. Unreasonable Delay in Filing Disclaimer.

If a patentee unreasonably neglects or delays to file a necessary disclaimer, he is not entitled to bring suit upon his patent.

U.S. Revised Stats. Sec. 4922.

Walker on Patents, Secs. 203-204

Even where it appears there was no unreasonable delay, and judgment or decree has been rendered in a case requiring disclaimer, no costs can be recovered in the absence of disclaimer.

U.S. Revised Stats. Sec. 2922.

E. COMMISSIONER'S CERTIFICATE OF CORRECTION

Any mistake occurring through the fault of the Patent Office, may be corrected by certificate of the Commissioner, and a printed copy thereof attached to each printed specification and drawing. If such mistake constitutes legal ground for reissue, such reissue can be had without charge at request of patentee.

Patent Office Rule 170.

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SYNOPSIS OF LECTURE IX

A. INTERFERENCES.

1. Statutory Provision.

"Whenever an application is made for a patent which, in the opinion of the Commissioner, would interfere with any pending application, or with any unexpired patent, he shall give notice thereof to the applicants, or applicant and patentee, as the case may be, and shall direct the primary examiner to proceed to determine the question of priority of invention. And the Commissioner may issue a patent to the party who is adjudged the prior inventor, unless the adverse party appeals from the decision of the primary examiner, or of the board of examiners-in-chief, as the case may be, within such time, not less than twenty days, as the Commissioner shall prescribe."

U. S. Revised Stats. Sec. 4904

2. Interference Defined.

"An interference is a proceeding instituted for the purpose of determining the question of priority of invention between two or more parties claiming substantially the same patentable invention."

Patent Office Rule 93.

"Interference means a dispute on the question of priority of invention."

U.S. & Foreign Salamander Felting Co. v. Asbestos Felting Co., 4 Fed. 815, 815.

3. Junior Party and Senior Party.

As a general rule the Senior Party is the party who first files his application in the Patent Office;

the Junior Party is he who files his application last and upon whom lies the burden of proof. In the case of continuing applications, however, this order may be changed and the burden shifted on motion.

4. Special demand for statement as to date of invention from Junior Party.

"In order to ascertain whether any question of priority arises the Commissioner may call upon any Junior applicant to state in writing the date when he conceived the invention under consideration. All statements filed in compliance with this rule will be returned to the parties filing them. In case the applicant makes no reply within the time specified, not less than ten days, the Commissioner will proceed upon the assumption that said date is the date of the oath attached to the application."

Patent Office Rule 93.

5. Interference declared between whom.

Interference may be declared:

- a. Between two original applications.
- b. Between two reissue applications.
- c. Between an original application and a reissue application.
- d. Between an original or reissue application and an unexpired patent.

Patent Office Rule 94.

In case of a patent, where the filing date of an application is subsequent thereto, applicant must file affidavit showing invention before filing date of patentee. Ibid.

Note that a patent issued more than two years prior to the filing date of an application cannot be thrown into interference therewith. This is because of the statutory bar.

U.S. Revised Stats. Sec. 4886.

6. Settlement of preliminary questions.

Before an interference is declared all preliminary questions must be settled, and the issue clearly defined. The invention which is to form the subject

of the controversy must have been patented to one of the parties or decided to be patentable with allowable claims.

Patent Office Rule 95.

7. Suggestion of Claims.

It is the present practice of the office in the case of a possible interference, to suggest to each party such claims as are necessary to cover the same invention. Usually the exact language of pertinent claims of each party is suggested to the other. If such claims are not adopted by either party by amendment within a specified time, he is held to have disclaimed the same.

Patent Office Rule 96.

Claims may also be added on motion and by amendment within 30 days after filing of preliminary statements under Patent Office Rule 109.

8. Jurisdiction of Examiner of Interferences and Law Examiner.

Upon the institution and declaration of an interference, the Examiner of Interferences takes jurisdiction of the same, but the Law Examiner is to determine all motions to dissolve an interference and the like.

Patent Office Rules 101, 122.

9. Declaration of interference and Notice to the Parties.

An interference is formally declared by forwarding notices of interference to the Parties or their attorneys by the Examiner of Interferences, and times are set within which preliminary statements must be filed.

Patent Office Rules 102, 103.

10. Disclaimer.

Either party with the written consent of his assignee, if any, may disclaim the invention in issue and avoid the continuance of the interference. Such disclaimer should be made before the date of the filing of his preliminary statement.

Patent Office Rule 107.

11. Contents of Preliminary Statement.

a. Domestic Patents

Each party to the interference must file a concise preliminary statement under oath, within the required time, showing:

- (1) The date of Conception.
- (2) The date of first drawing and the date of first written description.
- (3) The date of first disclosure to others.
- (4) The date of reduction to practice.
- (5) Extent of use
- (6) The date and number of any foreign application filed within twelve months.

b. Foreign Patents.

When the invention was made abroad, the statement must also show that the applicant made the invention, other patents therefor, printed publications describing the invention, and the time and circumstances of introduction of the invention into this country.

Patent Office Rule 110.

c. Strict Construction.

Preliminary statements should be carefully prepared, as parties are held strictly in their proofs to the dates set up in them.

Patent Office Rule 110.

Fowler v. Boyce, 118 Off. Gaz. 2534.

The facts set forth in the preliminary statements are peculiarly within the knowledge of the inventor, and are difficult of contradiction by an adversary. It is important to the administration of justice that the inventor be required to state his dates with reasonable certainty before notice of his adversary's claim.

Cross v. Phillips, 1899 C.D. 342

12. When Preliminary Statements are Opened for Inspection.

The preliminary statements are not opened to the inspection of the opposing parties until each statement is filed or the time for filing has expired. A party in default has no right to such inspection until he has filed his statement, waived such filing, or stands on his record date. Any party subsequent in all his dates to the filing date of the opposing party, has no right of access to the preliminary statement of such party.

Patent Office Rule 111.

13. Amendment of Preliminary Statement.

Where the office finds that the preliminary statement is defective, the applicant is given opportunity to amend, and in default thereof is restricted to his record date.

Patent Office Rule 112.

This is prior to opening the statements for inspection. After the statements are so opened, amendments are rarely granted and can only be made on motion in case of material error arising through inadvertence or mistake and upon a satisfactory showing that correction is essential to the ends of justice.

Patent Office Rule 113.

14. Effect of Failure to File Preliminary Statement or to Overcome Prima Facie Case.

"If the junior party to an interference, or if any party thereto other than the senior party, fail to file a statement, or if his statement fail to overcome the prima facie case made by the respective dates of application, such party shall be notified by the examiner of interferences that judgment upon the record will be rendered against him at the expiration of thirty days, unless cause be shown why such action should not be taken."

Patent Office Rule 114.

15. Affidavits and depositions and Times for Taking Testimony.

Under the law the Commissioner of Patents is empowered to establish rules for taking affidavits and depositions in Patent Office Cases before officers authorized by law for taking depositions for the state and federal courts.

U.S. Revised Stats. Sec. 4905.

In pursuance of such authority it is provided by the rules that times shall be assigned for the junior party to take his testimony in chief, for the senior party to take proofs in answer thereto, and for the junior party to take rebutting testimony. Such evidence is usually taken pursuant to notice before a Notary Public in accordance with the rules of the Patent Office relating to testimony.

Patent Office Rules 118, 154-162.

16. Motion to shift Burden of Proof.

A motion to shift burden of proof from the junior party to the senior party should be made within 30 days of the receipt and approval of the preliminary statements. Such motion is usually upon the ground of the filing date of a prior application of which the present application is a continuing application.

17. Motion to Dissolve Interference.

Motion to dissolve an interference should be made, if possible, not later than the thirtieth day after the preliminary statements have been filed and approved.

Patent Office Rule 122.

Such motions are for the Law Examiner to determine.

Patent Office Rules 101, 122.

The usual grounds for a motion to dissolve are:

a. Informality in Declaring Interference.

- (1) A mere clerical error is not such an informality.

Gally v. Burton, 120 Off. Gaz. 2326.

- (2) Vague and indefinite language may constitute sufficient irregularity.

Field v. Colman, 131 Off. Gaz. 1686.

- (3) Unreasonable number of counts may constitute informality.

Ragona v. Harris, 150 Off. Gaz. 266.

- (4) Failure to file proper oath and complete application resulting in abandonment.

Reigger v. Beire, 150 Off. Gaz. 826.

b. Denial of Patentability of Applicant's Claim.

This ground is usually set up by the junior party in case of newly discovered matter anticipating the invention in interference.

c. Denial of Applicant's right to make claim.

- (1) Where new matter was introduced into application by amendment.

Tripp v. Wolf, 103 Off. Gaz. 2171

- (2) Where the application was erroneous and misleading.

Blackmore v. Hall, 119 Off. Gaz. 2523.

- (3) Abandonment of invention.

Felsing v. Nelson, 121 Off. Gaz. 1347.

- (4) Inapplicability of counts to applicant's invention.

Earll v. Love, 140 Off. Gaz. 1209

- (5) Inoperativeness of Applicant's device.

d. No interference in fact.

- (1) Where issues limited by prior art to precise construction of application and not reading upon device of opposing party.

- (2) Where the terms of the issues fairly construed do not read upon the structures of each of the parties.

18. Appeals from the decision of the Law Examiner.

Appeals from the adverse decision of the Law Examiner upon the merits of a party's case on a motion for dissolution, lie to the Examiners-in-Chief. No appeal is permitted from a decision affirming the patentability of a claim or the applicant's right to make the same. Appeals from adverse decisions as to informalities or non-interference in fact lie direct to Commissioner.

Patent Office Rule 124.

Zeidler v. Leech, 1891 C.D. 9.

19. Question of Non-Patentability on final hearing.

"Where the patentability of a claim to an opponent is material to the right of a party to a patent, said party may urge the non-patentability of the claim to his opponent as a basis for the decision upon priority of invention. A party shall not be entitled to raise this question, however, unless he has duly presented and prosecuted a motion under Rule 122 for dissolution upon this ground or shows good reason why such a motion was not presented and prosecuted."

Patent Office Rule 130.

This rule was intended to cover those cases where it was contended that one party had the right to make the claim, but that the other did not. Pym v. Hadaway, 139 Off. Gaz. 2073.

20. Conception of Invention.

"The date of conception is the date when the idea of means including all the essential attributes of the invention, becomes so clearly defined in the mind of the inventor as to be capable of exterior expression (1 Robb. on Pats. Sec. 380)."

Mergenthaler v. Scudder, 1897 C.D. 724.

The fact of conception cannot be proven by the mere allegation or unsupported oral testimony of the inventor. There must also be evidence of disclosure to others, or embodiment of the invention in some clearly perceptible form such as drawings, writings or models or the like with sufficient proof in point of time. Ibid.

Automatic Weighing Machine Co. v. Pneumatic Scale Corp. Ltd., 166 Fed. 288

21. Reduction to Practice.

a. Invention reduced to practice when:

"It is essential that a device to constitute a reduction to practice must show that the work of the inventor must be finished physically as well as mentally."

Sydemann v. Thoma, 1909 C.D. 310

Reduction to practice requires the practice of some art, or the construction of some practical

working machine, or the production of a patentable composition of matter or article of manufacture.

Robinson on Patents, Sec. 126.

- b. A drawing or a mere model does not constitute reduction to practice.

Automatic etc. Co. v. Pneumatic Co. 166, Fed. 288, 292-3.

Mason v. Hepburn, 1898 C.D. 510.

But see Curtiss v. Janin, 278 Fed. 454, 456.

- c. Three General Classes.

Decisions involving reduction to practice may be divided into three general classes:

- (1) Devices so simple and of such obvious efficacy that the complete construction of one of a size and form intended for and capable of practical use, is held sufficient test without actual use.
- (2) Where a machine embodying every essential element of the invention has been tested and its practical utility demonstrated to reasonable satisfaction, notwithstanding the machine is not mechanically perfect.
- (3) Where the machine is of such a character that the particular use for which it is intended must be given special consideration, and requires satisfactory operation in the actual execution of the object.

Long delay in the first and third cases in putting machine in actual use has been regarded as a potent circumstance in determining whether test was successful or only an abandoned experiment.

Sydneyman v. Thoma, 1909 C.D. 340.

- d. Constructive Reduction to Practice

"The filing of an allowable application is a constructive reduction to practice."

Automatic Weighing Machine Co. v. Pneumatic Scale Co., 166 Fed. 288.

The doctrine of reasonable diligence arises where, after one inventor has conceived his invention, another inventor also conceives such invention. In such case the first inventor must use reasonable diligence in reducing to practice, otherwise the second inventor, if he is prompt in reducing to practice ahead of the first inventor, may become entitled to the patent for the invention.

Reed v. Cutter, 1 Story 590.

Christie v. Seybold, 55 Fed. 69.

"If the first to conceive is guilty of laches in completing and reducing his conception to practice, and in the meantime when he is not in the exercise of due diligence, another conceives the same invention, then he who first reduces to practice is, in law, the first inventor."

Croskey v. Atterbury, 1896 C.D. 437.

B. APPEALS

1. To the Examiners-in-Chief (Ex Parte Cases).

Every applicant for an original or reissue patent whose claims have been twice rejected on the merits, or who has been twice required to divide his application, may upon payment of the required fee appeal to the Examiners-in-Chief.

Patent Office Rule 133.

2. To the Commissioner (Ex Parte Cases).

a. Matters of form.

An appeal in the form of a petition lies to the Commissioner direct from the Primary Examiner on any proper question which has been twice acted upon by the Examiner and does not involve the merits, the rejection of a claim, or a requirement for division.

Patent Office Rule 142.

b. From the Examiners-in-Chief.

"From the adverse decision of the board of examiners in chief appeal may be taken to the Commissioner in person, upon payment of the fee of \$20 required by law."

Patent Office Rule 136.

3. Appeals in Interference Cases (Contested Cases)

"In interference cases parties have the same remedy by appeal to the examiners in chief and to the Commissioner as in ex parte cases."

Patent Office Rule 143.

4. Appeals to the Court of Appeals of the District of Columbia.

"From the adverse decision of the Commissioner upon the claims of an application and in interference cases, an appeal may be taken to the Court of Appeals of the District of Columbia in the manner prescribed by the rules of that court."

Patent Office Rule 148.

C. BILL IN EQUITY TO OBTAIN PATENT

"Whenever a patent on application is refused, either by the Commissioner of Patents or by the Supreme Court of the District of Columbia upon appeal from the Commissioner, the applicant may have remedy by bill in equity; and the court having cognizance thereof, on notice to adverse parties and other due proceedings had, may adjudge that such applicant is entitled, according to law, to receive a patent for his invention, as specified in his claim, or for any part thereof, as the facts in the case may appear."

U.S. Revised Stats. Sec. 4915.

"The decision in interference proceedings is not conclusive on the question of priority of invention. The same question may arise in subsequent suits instituted under Sections 4915, 4918, and 4920 of the Revised Statutes."

Automatic Weighing Machine Co. v. Pneumatic Scale Co.,
166 Fed. 288.

But see Curtiss etc. Co. v. Janin, 278 Fed. 454.

D. PUBLIC USE PROCEEDINGS OR PROTESTS.

A public use proceeding is one which is instituted by the filing of a protest with the Commissioner by any person protesting against the issue of a patent by reason of prior public use or sale in this country for more than two years prior to the application of the patent. The protestant in such case is a person who has acquired knowledge of the pendency of the application (usually a defeated party in interference) and who is interested in opposing allowance.

In re National Phonograph Co. 89 Off. Gaz. 1669.

Ex Parte Van Ausdal, 91 Off. Gaz. 1617

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SYNOPSIS OF LECTURE X.

A. ACQUISITION OF TITLE TO PATENT RIGHTS.

Title to patent rights may be obtained in the following ways:

1. By reason of the inchoate right of applicant to patent before issue.
2. By the grant of letters patent.
3. By assignment.
4. By license.
5. By court proceedings (including mortgage foreclosure).
6. By descent of property.

B. INCHOATE RIGHT IN PENDING APPLICATION.

Upon the filing of an application in the Patent Office, there devolves upon the inventor an inchoate right which he may assign or mortgage and which merges into full title to the patent upon issue. Upon request of the applicant, embodied in a recorded assignment, the patent will issue to the assignee.

Patent Office Rules 26 and 188.

Walker on Patents, Sec. 273.

In every case where it is desired that the patent issue to an assignee, the assignment must be recorded in the Patent Office at a date not later than the day on which the final fee is paid. In the case of an application for a design patent the assignment must be recorded before the case is allowed. (See Rule 26) The date of the record is the date of the receipt of the assignment at the office in proper form and accompanied by the full legal fee for recording.

Patent Office Rule 188.

C. ASSIGNMENT.

1. Statutory Provision.

"Every patent or any interest therein shall be assignable in law by an instrument in writing, and the patentee or his assignee or legal representatives may in like manner grant and convey an exclusive right under his patent to the whole or any specified part of the United States."

U.S. Revised Stats. Sec. 4898.

2. Recording.

"An assignment, grant or conveyance shall be void as against any subsequent purchaser or mortgagee for a valuable consideration, without notice, unless it is recorded in the Patent Office within three months from the date thereof, or prior to such subsequent purchase or mortgage."

U.S. Revised Stats. Sec. 4898.

Patent Office Rule 185.

To be recorded, instrument must be in English language and affect the title to the patent. The patent or application should be fully identified.

Patent Office Rule 186.

Except as against possible subsequent bona fide purchasers for value without notice, recording is not essential to validity of assignment or claim of title to the patent.

City of New York v. American Cable Ry. Co.
60 Fed. 1016.

3. Acknowledgment.

If assignment is acknowledged before a notary public or other qualified officer, the certificate of such acknowledgment under the hand and seal of such officer, shall be prima facie evidence of execution.

U. S. Revised Stats. Sec. 4898.

Patent Office Rule 185.

4. What may be conveyed by assignment.

Under Revised Stats. Sec. 4898, the patent monopoly is one entire thing and cannot be subdivided except as therein provided. Thus there can be conveyed by assignment only the following:

- a. The entire interest in the patent.
- b. An individual interest in the whole.
- c. The exclusive right in a specified part of the United States.

Waterman v. Mackenzie, 138. U.S. 252.

5. Part Ownership.

A part owner of an undivided interest in a patent owes no duty to the other co-owners for an accounting for profits made by the exercise of his individual right. Such owner, without the consent of his co-owners, may make, use and sell the invention to the fullest extent, may grant licenses, or may assign his interest.

Paulus v. Buck Mfg. Co. 129 Fed. 594.

Blackledge v. Weir etc. Mfg. Co., 108 Fed. 71.

Assignment of undivided interests, therefore, should ordinarily provide for division of profits, and unanimous consent to any manufacture, sale or use under the patent.

6. Usual Rules as to Transfer of Personal Property.

Patents are property and within certain limitations are subject to the usual rules of law with reference to the transfer of personal property.

Fetter v. Newhall, 17 Fed. 843.

7. Authentication.

It is sufficient if the assignment be signed, by the assignor. Neither a seal, nor a witness, nor an acknowledgment, nor recording, are required to give the instrument validity, except that recording is necessary as against subsequent purchasers without notice. It is customary, however, to have the assignment acknowledged and recorded to obtain the benefit of the statutory provisions.

8. Date of Assignment.

The date of an assignment is presumptively the date appearing on the face thereof, unless it can be shown that the instrument was actually delivered upon some other day, in which event such date is effective.

9. Implied Warranties.

Warranty of title by the assignor is implied to the extent of the title purporting to be conveyed, but there is no implied warrant of validity.

Walker on Patents, Secs. 282, 283.

10. Rights of Action for Past Infringement.

The mere assignment of a patent does not carry with it the transfer of rights to sue for past infringements. Such rights should, therefore, if possible, be specifically included in every assignment of a patent made subsequent to the date of its issue, or should be made the subject of a separate assignment.

Moore v. Marsh, 7 Wallace 515.

Hamilton v. Rollins, 11 Fed. Cas. 364.

11. Future Inventions.

The assignment of a patent together with all future improvements upon the patented invention made by the assignor is valid and may be enforced in a court of equity.

Littlefield v. Perry, 21 Wall. 205, 226.

But contracts to assign future inventions, if not limited to improvements upon particular inventions or a particular class of articles manufactured by the assignee, may be too broad and void as against public policy or restraint of trade.

Westinghouse Air Brake Co., v. Chicago Brake Mfg. Co., 85 Fed. 786.

Hulse v. Bonsack Mach. Co., 65 Fed. 864.

12. Effect of sale of patent device.

"When the patented machine rightfully passes to the hands of the purchaser from the patentee, or from any other person by him authorized to

convey it, the machine is no longer within the limits of the monopoly."

Chaffee v. Boston Belting Co., 22 Howard 217, 223.

Bloomer v. McQuewan, 14 Howard 539.

But the purchaser of a patented machine, while he may make repairs, has no right to replace or reconstruct the parts of a patented combination.

Morgan Envelope Co., v. Albany Paper Co., 152 U.S. 425.

Cotton-Tie Company v. Simmons, 106 U.S. 89, 93.

D. LICENSE.

1. License Defined.

A transfer of a patent right, short of an assignment, under Revised Stats. Sec. 4898, is a mere license, giving the licensee no title in patent, and no right to sue in his own name for infringement.

Waterman v. Mackenzie, 138 U.S. 252, 255.

Example:

Since the grant of a patent is of the exclusive right to make, use and sell, the transfer of any two of these rights without the other would constitute a license.

2. General Rules of Construction.

The interpretation of a license is to be determined by the rules of construction generally employed in the consideration of contracts.

Wetherill v. Passaic Zinc Co., 29 Fed. Cas. 837.

Thus in some cases such rights under the patent as are necessary to the enjoyment of the thing granted may be implied.

Walker on Patents, Sects. 296, 297.

3. Written or Oral Licenses.

A license is valid whether written or oral.

Jones v. Berger, 58 Fed. 1006.

Cline v. Horton, 274 Fed. 723.

4. Recording of Licences.

A license is not required to be recorded in the Patent Office to give it effect and validity.

Brocke v. Byam, 4 Fed. Cas.261.

5. Duration

"A license not expressly limited in duration continues until the patent expires or the license is forfeited, if not terminated, by mutual consent."

American Street Adv. Co. v. Jones, 122 Fed. 803,808.

6. Non-Assignability.

"A license to use a patented invention that does not contain words importing assignability is a grant of a mere personal right to the licensee which does not pass to his heirs or representatives and cannot be transferred to another without the express consent of the licensor."

Bowers v. Lake Superior etc. Dredging Co., 149, Fed. 983.

7. Licensee Estopped from denying validity of Patent.

A licensee under a patent is estopped from denying the validity of such patent in a suit for royalties brought by the licensor.

Smith v. Ridgely, 103 Fed. 875

Moore v. Natl. Water Tube Boiler Co., 84 Fed. 346, 347.

But in each suit, the licensee may offer evidence of a prior state of the art for the purpose of construing the claims of the patent.

Andrews v. Landers, 72 Fed. 666.

8. License from one of several owners.

An owner in common of a patent may license a third party to make, use and sell the invention.

Dunham v. Indianapolis & St. Louis R.R. Co., 8 Fed. Cas. 44.

9. License Restrictions within the Anti-Trust Laws.

Where the effect of a restriction is to "sub-

stantially lessen competition or tend to create a monopoly in any line of commerce" such restriction is unlawful under the Clayton Law where interstate commerce is affected.

Clayton Law, Sec. 3.

10. Implied Licenses.

Implied licenses usually arise by reason of conduct of the parties, and are usually the result of acquiescence or estoppel.

Walker on Patents, Sects. 311-313.

11. Inventions by Employee and Shop Right.

In the absence of an express contract to the contrary, the invention of an employee is his own property, and he is entitled to a patent thereon. Under certain circumstances, however, the employer may acquire a license or shop right to use the invention without compensation.

License or Shop Right.

"When one is in the employ of another in a certain line of work, and devises an improved method or instrument for doing that work, and uses the property of his employer and the services of other employees to develop and put into practical form his invention, and explicitly assents to the use by his employer of such invention, a jury or a court trying the facts is warranted in finding that he has so far recognized the obligations of service flowing from his employment, and the benefits resulting from his use of the property, and the assistance of the co-employees, of his employer, as to have given to such employer an irrevocable license to use such invention."

Solomon v. United States, 137, U.S. 342.

Gill v. United States, 160 U.S. 426.

Wilson v. Amer. Circular Loom Co., 187 Fed. 840.

12. Royalties.

"Royalties are commonly understood as meaning something proportionate to the use of a patented device; in other words, a kind of excise."

Western Union Tel. Co. v. Am. Bell Tel. Co.
125 Fed. 342 (Referring to Bouvier's Law
Dictionary). Eviction from the enjoyment of
the patent excuses non-payment of royalty.

White v. Lee, 14 Fed. 791.

Forfeiture of license does not result ipso
facto by the non-payment of royalties.

Standard Dental Co., v. Natl. Tooth Co., 95
Fed. 291, 294.

But see Russell v. Boston Card Index Co., 276
Fed. 4.

E. COURT PROCEEDINGS.

A patent or rights thereunder may be acquired:

1. By judgment and decree, as for example on
suit of creditor.

Aver v. Murray, 105 U.S. 126.

2. By Bankruptcy Proceedings, where the owner
of patent rights is adjudged a bankrupt and
his property conveyed to his trustee in
bankruptcy..

3. By foreclosure of a mortgage or other lien
upon the property.

F. DESCENT OF PROPERTY.

A patent or rights acquired by assignment descend
to the heirs and devisees of the owner upon his
decease in the same way as other personal property.

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SYNOPSIS OF LECTURE XI

A. DIRECT INFRINGEMENT.

1. Infringement Defined.

An infringement is a copy made after and agreeing substantially and in principle with the article described and claimed in the letters patent.

Haselden v. Ogden, 11 Fed. Cas. 768, 769.

2. Infringement to be determined by consideration of the claims.

"Infringement is to be determined by a consideration of the claims, and if their language is such that, upon a fair consideration of them, defendant's structure does not fall within their terms, infringement cannot be found."

Hoe v. Miehle etc. Mfg. Co., 149 Fed. 213, 214.

3. Examples of Infringement.

a. Of a process.

Tilghman v. Proctor, 102 U.S. 73.

Mowry v. Whitney, 14 Wall. 620.

Cochrane v. Deener, 94 U.S. 787.

b. Of a machine.

Cawood Patent, 94 U.S. 695.

Andrews v. Long, 12 Fed. 871.

Blanchard v. Reeves, 1 Fisher 103.

Am. Diamond Rock Boring Co. v. Sullivan Mach. Co., 14 Blatch. 119.

c. Of a manufacture.

Elizabeth v. Payement Co., 97 U.S. 137.

d. Composition of Matter.

Otley v. Watkins, 36 Fed. 324.

Lane v. Levi, 104 O.G. 1898.

Rich v. Lippincott, 2 Fisher 6.

e. Design Patent.

Gordham v. White, 14 Wall. 528.

4. Infringement involves substantial identity.

In order to constitute infringement, substantial identity of both means and result must be present under a fair interpretation of the claims of the patent. This is true whether or not the infringing device is within the exact letter of the claims.

Westinghouse v. Boyden Power Brake Co., 170 U.S. 537, 553.

Standard Computing Scale Co., v. Computing Scale Co., 126 Fed. 639, 649.

5. Substitution of Mechanical Equivalents does not avoid infringement.

Singer Mfg. Co. v. Henry Stewart Mfg. Co., 8 Fed. 920.

Warren Featherbone Co., v. American Featherbone Co., 135 Fed. 304. (Element of cool cloth and hot rollers held equivalent of hot cloth and cool rollers).

"The range of equivalents depends upon and varies with the degree of the invention."

Continental Paper Bag Co., v. Eastern Paper Bag Co., 210 U.S. 405, 415.

6. Mere change of form does not avoid infringement.

Mere changes of form of any of the elements of a patented device does not avoid infringement where the mode of operation is the same, unless form is the distinguishing characteristic of the invention claimed.

Kinlock Tel. Co. v. Western Electric Co.
113 Fed. 652.

Winans v. Denmead, 15 How. 330.

"Form, location and sequence of elements are all immaterial, unless form or location or sequence is essential to the result or indispensable by reason of the state of the art, to the novelty of the claim."

Adam v. Folger, 120 Fed. 260.

7. Omission of Material Element Avoids Infringement of claim.

It is well settled that there is no infringement of any one of the material elements of a combination claim is omitted, without the substitution of anything equivalent thereto.

Adam v. Folger, 120 Fed. 260.

Eames v. Godfrey, 68 U.S. 78.

Dowagiac Mfg. Co. v. Minnesota Moline Plow Co., 118 Fed. 136.

8. Addition of an element does not avoid Infringement.

Tilghman v. Proctor, 102 U.S. 707, 730.

Weed Chain Tire Grip v. Cleveland Chain & Mfg. Co., 196 Fed. 213.

Forsyth v. Garlock, 142 Fed. 461, 464.

9. Joinder or Separation of Elements does not evade Infringement.

"Neither the joinder of two elements into one integral part accomplishing the purpose of both and no more, nor the separation of one integral part into two, together doing precisely or substantially what was done by the single element, will evade a charge for infringement."

Nathan v. Howard, 143 Fed. 889, 893.

10. A mere change of location of parts does not avoid infringement.

Devlin v. Paynter, 64 Fed. 398, 400.

The mere change of the location of parts if such parts still perform the same function does not take the structure without the bounds of the patent. But if such a change is affected as to break up the relation and cooperation of the parts, this results in a change in the means as displaces the conception of the invention, and takes the new structure outside the patent.

Union Steam Pump Co. v. Battle Creek Steam Pump Co., 104 Fed. 337, 342-343.

11. Patented Invention must be Operative to be infringed.

If the patented invention is not operative that is, will not do the work which it is expected to do, there can be no infringement, and the defendant is entitled to the verdict.

Boyer v. Coupe, 29 Fed. 358, 367.

General Elec. Co. v. Wise, 119 Fed. 926.

12. Identity of Result is not Sufficient Test of Infringement.

"Identity of result is, however, not a sufficient test of infringement. There must also be substantial identity of the means and manner of its accomplishment."

Heekin Co. v. Baker, 138 Fed. 63.

13. Single Sale sufficient for Prima Facie Case of Infringement.

"A single sale made in circumstances which indicate a readiness to make other similar sales upon application is sufficient to make out a prima facie case."

Hutter v. De Q. Bottle Stopper Co., 128 Fed. 283.

14. "Non-interchangeability of parts tends strongly to negative infringement."

Pittsburg Meter Co. v. Pittsburg Supply Co., 109 Fed. 644, 649.

"The specific device described in and covered by the Wright patent could not be used in appellant's combination, nor the appellant's spring in the appellee's combination. This interchangeability, or non-interchangeability, is an

important test in determining the question of infringement."

Miller v. Eagle Mfg. Co., 151 U.S. 186, 208.

15. Infringement is not avoided by reason of an Imperfect Construction.

"No man is permitted to evade a patent by simply constructing the patented thing so imperfectly that its utility is diminished."

Crown Cork & Seal Co., of Baltimore City v. Standard Stopper Co., et al., 136 Fed. 199, 207 citing Walker on Patents, Sec. 376.

16. Sale of Product no Infringement of Process Patent.

"A patent for a process is not infringed by selling the product."

National Phonograph Co., v. Lambert Co., 125 Fed. 338, 389.

17. Reconstruction and Repair.

A purchaser may repair but not reconstruct or reproduce a patented device or machine. Repair is restoration after decay, injury or partial destruction. Reconstruction or reproduction carries with it the idea of construction over again, and, if of a patented machine or device, or a material part thereof, may amount to infringement.

Goodyear Machinery Co. v. Jackson, 112 Fed. 146, 150.

Cotton Tie Co. v. Simmons, 106 U.S. 89.

Davis Electrical Works v. Edison Electric Light Co., 60 Fed. 276, 58 Fed. 878.

18. Infringement of Design Patent.

"We hold, therefore, that if, in the eye of an ordinary observer, giving such attention as a purchaser usually gives two designs are substantially the same -- if the resemblance is such as to deceive such observer, inducing him to purchase one supposing it to be the other -- the first one patented is infringed by the other."

Gorham v. White, 14 Wall 511.

19. Mere Experimental Use is not Infringement.

"It is true that, if an infringing machine is made or used as an experiment merely, it does not infringe former patents. And it has been held that the making of a machine as an experiment, and its exhibition as simply a model or illustration, do not of themselves constitute an infringement."

Machine Co. v. Teague, 18 Fed. 390.

"To constitute an infringement, the making must be with an intent to use for profit, and not for the mere purpose of a philosophical experiment."

Sawin v. Guild, Fed. Cas. 12, 391.

Bonsack Machine Co. v. Underwood, 73 Fed. 206, 211.

20. Purchase prior to Application for Patent.

"Every person who purchases of the inventor or discoverer, or, with his knowledge and consent, constructs any newly invented or discovered machine, or other patentable article, prior to the application by the inventor or discoverer of a patent, or who sells or uses one so constructed, shall have the right to use, and vend to others to be used, the specific thing so made or purchased, without liability therefor."

U.S. Revised Stats. 4899.

B. CONTRIBUTORY INFRINGEMENT

1. Defined

Contributory infringement is the intentional aiding of one person by another in the unlawful making or selling or using of the patented invention."

Howson, Contributory Infringement, p. 1.

Cited in Thomson-Houston Elec. Co. v. Kelsey Elec. Ry. Specialty Co. 72 Fed. 1016.

2. Intention and Concert of Action.

It must appear that an element of the claim of the patent was intentionally furnished, or the necessary concert of action will be missing. This may be shown presumptively, as where the

article supplied is incapable of any other use than an infringing one; otherwise where the article is adapted to other uses, the intention to assist in the infringement must be shown affirmatively.

Bullock Electric & Mfg. Co. v. Westinghouse Electric Mfg. Co., 129 Fed. 105.

Thomson-Houston Elec. Co. v. Ohio Brass Co. 80 Fed. 712.

"It cannot be that, where a useful machine is patented as a combination of parts, two or more can engage in its construction and sale, and protect themselves by showing, that though united in an effort to produce the same machine, and sell it, and bring it into extensive use, each makes and sells one part only, which is useless without the others, and still another person, in precise conformity with the purpose in view, puts them together for use."

Wallace v. Holmes, 29 Fed. Cas. 74, 80.
(holding a claim for a burner and chimney, infringed by sale of the burner alone.)

C. MARKING AND NOTICE OF INFRINGEMENT.

1. Statutory Provision

"It shall be the duty of all patentees, and their assigns and legal representatives, and of all persons making or vending any patented article for or under them, to give sufficient notice to the public that the same is patented; either by fixing thereon the word 'patented', together with the day and year the patent was granted; or when, from the character of the article, this cannot be done, by fixing to it, or to the package wherein one or more of them is enclosed, a label containing the like notice; and in any suit for infringement, by the party failing so to mark, no damage shall be recovered by the plaintiff, except on proof that the defendant was duly notified of the infringement, and continued, after such notice, to make, use, or vend the article so patented."

U.S. Revised Stats. 4900.

2. The word "Damages" Includes Profits.

The word "damages" as used in the above

section means all pecuniary payments which may be recovered by a plaintiff and includes both technical damages and profits.

Franklin Brass Foundry Co. v. Shapiro & Aronson, 278 Fed. 435.

Lowell Mfg. Co. v. Hogg, 70 Fed. 787.

Westinghouse Electric Co. v. Condit Electric Co., 159 Fed. 154.

Contra, -

Churchward International Steel Co. v. Bethlehem Steel Co., 262 Fed. 438.

3. Notice where Patented Article is not marked or labelled.

Where the patented article is not marked or labelled or where none of such article are sold, or where the patent is for process, notice should be given infringers before bringing suit, or damages or profits cannot be recovered except those accruing after date of suit.

Churchward International Steel Co. v. Bethlehem Co., 262 Fed. 438.

Contra, -

Campbell v. Mayor of City of New York, 61 Fed. 182.

U. S. Mitic Co. v. Midvale Steel Co., 135 Fed. 103.

4. "Duly notified of the infringement"

While the notice of infringement may be oral or written, the proof of such notice must be clear and definite, and it should appear not only that the defendant was notified as to the existence of ownership of the patent but also that defendant's acts were claimed to be an infringement.

N.Y. Pharmaceutical Association v. Tilden 14 Fed. 740.

Westinghouse Electric & Mfg. Co., v. Condit Electric Mfg. Co., 159 Fed. 154.

Franklin Brass Foundry Co. v. Shapiro & Aronson, 278 Fed. 435.

The Bringing of a bill of complaint for infringement and service upon the defendant is not a sufficient notice of infringement.

Franklin Brass Foundry Co. v. Shapiro
& Aronson, 278 Fed. 435.

Contra;-

Westinghouse Elec. & Mfg. Co. v. Condit
Elec. Mfg. Co., 159 Fed. 154.

Underwood Typewriter Co. v. Elliot-Fischer
Co., 171 Fed. 116.

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SYNOPSIS OF LECTURE XII

A. JURISDICTION OF COURTS IN PATENT CASES.

1. United States District Court.

a. Statutory Provisions.

The U.S. District Court has original jurisdiction, among other matters, of all suits at law or in equity arising under the patent laws. In suits brought for infringement of patent, such courts have jurisdiction in the district of which the defendant is an inhabitant, or in any district, in which the defendant shall have committed acts of infringement and have a regular and established place of business.

Judicial Code, Sects. 24, 48

"These restrictions on jurisdiction are, however, merely a personal privilege and are waived by a personal appearance."

Walker on Patents, Sec. 389.

b. Arising under the Patent Laws.

All cases involving the determination of infringement of a patent arise under the patent laws, but a suit brought to try a question of title or to enforce or annul a contract of which a patent is the subject matter is upon such title or contract, and is not under the patent laws.

Dale Tile Mfg. Co. v. Hyatt, 125 U.S. 46.

Wade v. Lawder, 165 U.S. 624.

Victor Talking Machine Co. v. The Fair, 125 Fed. 424, 425.

c. Regular and Established Place of Business.

Under the statute, the infringer in a district of which he is not an inhabitant, must be shown to have infringed therein and to have a "regular and established place of business" within such district, and it is not sufficient to show a mere solicitation of orders or the maintenance of sale agencies within the district where the orders are filled and the goods shipped direct to the customer from without such district.

General Electric Co. v. Best Electric Co.
220 Fed. 347.

W. S. Tyler Co. v. Ludlow Saylor Wire Co.
236 U. S. 723.

2. Jurisdiction of the Federal Courts is Exclusive of State Courts.

a. Statutory Provision

The jurisdiction vested in the Courts of the United States as to all cases arising under the patent laws is exclusive of the courts of the several states.

Judicial Code, Sec. 256.

Courts of a state, however, may try questions of title, and may construe and enforce contracts relating to patents, such cases not arising under the patent laws.

The New Marshall Engine Co. & Marshall v. The Marshall Engine Co., 223 U.S. 473.

3. Jurisdiction of U. S. Circuit Court of Appeals in Patent Causes.

a. Statutory Provisions.

The U. S. Circuit Courts of Appeal exercise appellate jurisdiction to review by appeal or writ of errors all final decisions in patent causes, and all interlocutory orders or decrees granting, continuing, refusing, dissolving, or refusing to dissolve an injunction against infringement.

Judicial Code, Sects. 128, 129.

b. Certification to Supreme Court.

In any case within its appellate jurisdiction the U. S. Circuit Court of Appeals may certify to the Supreme Court of the United States any questions or propositions of law concerning which it desires the instruction of that court for its proper decision.

Judicial Code, Sec. 239.

4. Certiorari by Supreme Court

Upon the petition of the party who is or who may be aggrieved by the final decision of any U. S. Circuit Court of Appeals in a patent cause, it is competent for the Supreme Court to require by certiorari such cause to be certified to it by such Circuit Court of Appeals for its review and determination.

Judicial Code, Sec. 240.

The usual grounds of such petitions are that there is a conflict of decision between two U.S. Circuit Courts of Appeal, or that a question of gravity and importance is involved or to correct excesses of jurisdiction and in furtherance of justice.

Forsyth v. Hammond, 166 U. S. 514.

Re Lau Ow Bew, 141 U. S. 583.

In Re Chetwood, 165 U. S. 443.

5. Recovery of Damages for Infringement in an Action at Law.

"Damages for the infringement of any patent may be recovered by action on the case, in the name of the party interested either as patentee assignee, or grantee. And whenever in any such action a verdict is rendered for the plaintiff, the court may enter judgment thereon for any sum above the amount found by the verdict as the actual damages sustained, according to the circumstances of the case, not exceeding three times the amount of such verdict, together with the costs."

U. S. Revised Stats. Sec. 4919.

Note that the words "patentee, assignee, or grantee" above referred to mean the owner of the patent at the time the infringement took place.

Moore v. Marsh, 7 Wall 515.

6. Obtaining of Injunction, Profits, and Damages in Action of Equity.

The U. S. District Courts have power of courts of equity to grant injunctions to prevent infringement of a patent on such terms as may be deemed reasonable, and upon a decree for infringement the plaintiff is entitled to recover either profits or damages. In the case of damages, the court has the power as in a law case to enter judgment for any amount not exceeding three times the amount of actual damages sustained.

U.S. Revised Stats. Sec. 4921.

7. Juries in Patent Cases.

a. At Law.

In an action on the case, which is a suit at common law, a jury trial of twelve men is conferred by the Seventh Amendment to the Federal Constitution. Such right may, however, be waived by the parties.

b. In Equity.

A court of equity has the power to impanel a jury of not less than five and not more than twelve persons and to submit to them such questions as may be deemed expedient, but the verdict of such jury may be treated with the same effect as in the case of issues sent from chancery to a court of law.

U.S. Stats. at Large 316.

Such verdict may, therefore, be disregarded if the court sees fit.

8. Jurisdiction in Case of Interfering Patents.

Where there are interfering patents, any person interested in one of the patents may bring a suit in equity against the interfering patentee and parties in his interest, and upon due proceedings had the court may declare either patent void in whole or in part or inoperative or invalid according to the interest of the parties involved.

US Revised Stats. Sec. 4918.

9. Jurisdiction in Design Cases.

Suit may be brought by the owner of a design

patent for infringement thereof in any District Court of the United States having Jurisdiction of the parties, either by action at law or upon a bill in equity to restrain such infringement.

24 U.S. Stat. at Large 387.

10. Suits for Infringement against the United States.

Whenever a patented invention is used by the United States without license of the owner or lawful right to use the same, such owner may recover reasonable compensation for such use in the Court of Claims, provided that the United States may avail itself of all the defenses which might be pleaded by an ordinary defendant, and provided no patentee or assignee may sue while such patentee is in Government Service or employ; nor shall any suit be brought regarding any device invented by such employee while so employed.

36 U.S. Stat. at Large 851.

B. PLAINTIFFS IN ACTIONS FOR INFRINGEMENT.

The plaintiffs in an action for infringement may be,-

1. The Patentee

That is the person to whom the patent was originally issued.

2. Assignee or Grantee.

An assignee of the entire interest, or the grantee of a particular part of the United States under a patent may sue in his own name.

Moore v. Marsh, 74 U.S. 515.

Where the assignment is made after an equity suit has been brought upon the patent, the assignee should be substituted for the plaintiff and a supplemental bill filed in his behalf.

George W. Jackson v. Priestedt Co., 159 Fed. 496.

3. Owners in Common.

All the owners in common of a patent must join as plaintiffs in a suit for infringement thereon. A part owner cannot sue alone.

Van Orden v. Mayor of Nashville, 67 Fed. 331.

4. Administrator or Executor.

"A patentee's right for infringement survives to his personal representatives, and it is well settled that his executor or administrator may not only sue on such cause of action, but may assign and transfer the same to another."

May v. County of Logan, 30 Fed. 250, 253.

5. Licensee.

A licensee, as such, cannot sue for infringement.

Paper Bag Cases, 105 U.S. 766, 771.

An exclusive licensee may, however, bring suit for infringement upon the patent in the name of the owner, and even against his dissent.

Goodyear v. Bishop, 10 Fed. Cas. 642.

6. Receivers.

The powers of a receiver are those conferred upon him by the court and he ordinarily acquires no title to the property placed in his custody. Unless therefore a transfer of the patent to the receiver is compelled by the court, he has no right to sue for its infringement.

Ball v. Coker, 168 Fed. 304.

7. Trustee

A trustee holding the legal title to a patent may sue for infringement thereon.

8. Suit on a plurality of Patents.

It has long been the rule that where several patents are capable of conjoint use and have been so used by the defendant, one suit may be brought for such infringement. Also under New Equity Rule 26, the Plaintiff may now join in one suit in equity as many equitable causes of action as he has against the defendant, provided that the court may order separate trials if otherwise inconvenience would result.

C. DEFENDANT IN ACTIONS FOR INFRINGEMENT.

1. Natural persons and partnerships.

Natural persons and persons composing a partnership may be sued for infringement.

2. Private Corporations and Officers thereof.

Corporations are liable for infringements committed through their officers or employes, but such officers or employes are not themselves ordinarily so liable.

Walker on Patents, Sect. 410.

3. Public Corporations.

A State cannot be sued for infringement, except by its own consent.

Hans v. Louisiana, 134 U.S. 1.

Municipality may be sued.

Bliss v. Brooklyn, 3 Fed. Cas. 706.

County may be sued.

May v. County of Mercer, 30 Fed. 246.

Contra, -

Jacobs v. Hamilton County, 13 Fed. 276.

4. Administrative Officers.

Administrative Officers, such as executors, administrators, trustees, receivers, trustees in bankruptcy, and assignees for benefit of creditors may be sued.

Walker on Patents, Sect. 401.

D. REPEAL OF PATENT BY UNITED STATES.

"Where a patent for a grant of any kind issued by the United States has been obtained by fraud, by mistake or accident, a suit by the United States against the patentee is the proper remedy for relief."

United States v. Amer. Bell Telephone Co., 159, U.S. 548, 555.

United States v. Amer. Bell Telephone Co., 128, U.S. 315.

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SYNOPSIS OF LECTURE XIII

A. ACTIONS AT LAW

1. Statutory Provisions

"Damages for the infringement of any patent may be recovered by action on the case."

U.S. Revised Stats. Sec. 4919.

The practice, pleadings, and forms and modes of proceeding in civil causes, other than equity and admiralty causes, shall conform as near as may be, to those of the state where the federal court is held.

U.S. Revised Stats. Sec. 914.

Both these sections are to be construed together, - to the end the forms of pleadings and procedure in an action on the case should be the same as those employed in the same action in the state courts. The archaic forms and procedure of the common law should not be followed, unless the State practice so required.

Celluloid Mfg. Co. v. American Zylonite Co.,
34 Fed. 745.

2. Trial by Jury.

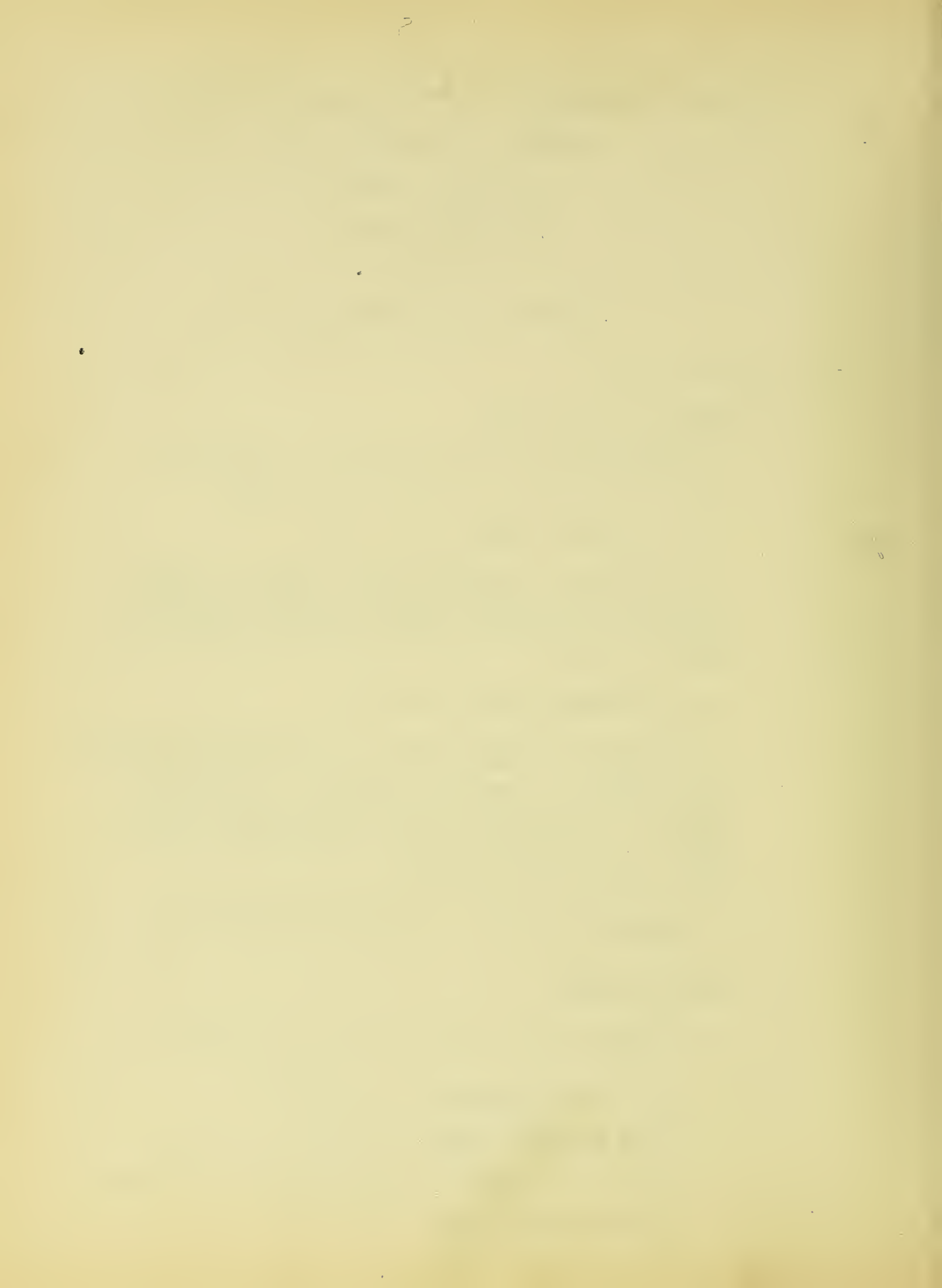
a. Unless waived by the parties, trial must be by jury.

U.S. Constitution, 7th Amendment.

U.S. Revised Stats. Sec. 566.

By waiver of parties judge may try the case.

U.S. Revised Stats. Sec. 649.



By agreement of parties, jury may be waived and case referred by the court to a referee.

Heckers v. Fowler, 2 Wall. 423.

- b. By trial by jury in the federal courts is meant a jury composed, as at common law, of twelve men.

Maxwell v. Dow, 176 U.S. 581, 586.

- c. It is the duty of the judge to preside at the trial, and to instruct the jury as to the law. Thus he may in his charge construe the claims of the patent and define the scope of the invention.

Marsh v. Quick-Meal Stove Co., 51 Fed. 203.

Holmes v. Truman, 67 Fed. 542.

- d. It is the province of the jury to decide all issues of fact. Thus the question of infringement should ordinarily be submitted to the jury with proper instructions by the court as to the nature and scope of the patent.

Coupe v. Royer, 155 U.S. 565, 581-582.

- e. Direction of Verdict for Defendant.

"Where it is entirely clear that the plaintiff cannot recover, it is proper to give such a direction but not otherwise."

Klein v. Russell, 19 Wall. 431, 463.

"If, upon the state of the art as shown to exist by the prior patents, and upon a comparison of the older devices with those described in the patent in suit, it should appear that the patented claims are not novel, it becomes the duty of the court so to instruct the jury."

Market Street Railway Co., v. Rowley, 155 U.S. 621, 625.

3. Plaintiff's Pleading.

The plaintiff's pleading follows the law of the state where the district court is held, and is usually termed a declaration or complaint. The essential allegations in the District Court of

the United States for any of the Districts of New York are as follows: (Under New York Civil Practice Act, Sec. 255.)

- a. The name or title of the U. S. District Court where the action is brought.
- b. The names of all the parties to the action, plaintiff and defendant, in their personal, corporate or representative capacities, and facts showing defendant is inhabitant of the district or has committed acts of infringement and has a regular and established place of business therein.
- c. Plain and concise statement of facts constituting the cause of action substantially as follows:
 - (1) Name, residence and citizenship of the inventor and patentee.
 - (2) Novelty, utility, etc., as set forth in Rev. Stat. 4886.
(Exact language of statute should be followed)
 - (3) Granting of letters patent on application of inventor.
 - (4) Profert or setting forth of letters patent.
 - (5) Issuances, signing and sealing of letters patent in compliance with Rev. Stats. 4883.
(Exact language of statute should be followed.)
 - (6) Term and scope of patent in compliance with Rev. Stat. 4884.
(Exact language of statute should be followed.)
 - (7) Reissue or Disclaimer.
 - (8) Title. - Best practice is to set forth all mesne assignments by legal effect. Profert is not necessary except of letters testamentary or letters of administration.
 - (9) Marking or actual notice of infringement.
(See Rev. Stats. 4900.)
 - (10) Statement of infringement by defendant.
Note: Continuando should be set forth.

Lo Page Co. v. Russian Cement Co., 51
Fed. 941, 949.

- (11) Special damages, including allegations of additional damage not exceeding treble damages as set forth in Rev. Stats. Sec. 4919.

- d. Demand of the judgment to which plaintiff is entitled.

Note: Joinder of Causes of Action. Under the New York Practice, an action for the combined infringement of several patents may be brought where the inventions of such patents are capable of conjoint use in the infringing article or where the infringements arise out of the same transaction.

New York Civil Practice Act, Sec. 258.

Continuando. Continuous injury should be alleged. If only one date is mentioned or if the time be left indefinite, the defendant is correspondingly restricted. Infringement therefore should be stated to have occurred on a certain day and on divers other days after that day and prior to the date of the suit.

Lo Page Co. v. Russian Cement Co., 51 Fed.
941, 949.

4. Defendant's Pleading

a. Motion for Judgment on the following grounds:

1. That the Court has not jurisdiction of the person of the defendant.
2. That the court has not jurisdiction of the subject of the action.
3. That the plaintiff has not legal capacity to sue.
4. That there is another action pending between the same parties, for the same cause.
5. That there is a misjoinder of parties plaintiff.
6. That there is a defect of parties, plaintiff or defendant.

7. That causes of action have been improperly united.
8. That the complaint does not state facts sufficient to constitute a cause of action.

New York Civil Practice Act., Sec. 277.

Note: An objection on any of the grounds above set forth, except 8, appearing on the face of the Complaint, is waived unless taken by motion.

New York Civil Practice Act., Sec. 279.

b. Answer.

The defenses which may be raised to an action for infringement are quite numerous (For full enumeration see Walker on Patents, Sec. 440.) Among the more usual may be mentioned the following:

- (1) No patentable subject matter.
- (2) No invention.
- (3) Lack of novelty.
- (4) No utility or inoperativeness.
- (5) Abandonment.
- (6) Want of title
- (7) No marking or notice of infringement.
- (8) Estoppel
- (9) No infringement

Of these the defenses of want of invention, lack of novelty, and no infringement constitute the main defenses upon which the great majority of cases are tried.

c. General Denial & General Issue.

Under the New York Code, the defendant's answer may be a general denial, in which case the plaintiff is put to the proof of all his essential allegations. Since pleading a general denial is the only way under such Code, the general issue may be pleaded,

the defendant making such denial may on notice prove on trial any one or more of the following special matters:

First: That for the purpose of deceiving the public the description and specification filed by the patentee in the Patent Office was made to contain less than the whole truth relative to his invention or discovery, or more than is necessary to produce the desired effect; or,

Second. That he had surreptitiously or unjustly obtained the patent for that which was in fact invented by another, who was using reasonable diligence in adapting and perfecting the same; or

Third. That it has been patented or described in some printed publication prior to his supposed invention or discovery thereof, or more than two years prior to his application for a patent therefor; or,

Fourth. That he was not the original and first inventor or discoverer of any material and substantial part of the thing patented; or,

Fifth. That it had been in public use or on sale in this country for more than two years before his application for a patent, or had been abandoned to the public.

U.S. Revised Stats. Sec. 4920.

5. Motion for Judgment on Defendant's Answer.

The plaintiff may move for judgment on defendant's answer on the ground that the defense set forth is insufficient in law upon the face thereof.

New York Civil Practice Act, Sec. 277.

6. Rules of Evidence.

"The rules of evidence which are used in the trial of patent causes are the ordinary rules of the common law, as modified by the statutes of the particular States in which such trials occur, and as adapted to the circumstances of patent litigation by the decisions of the United States courts."

Walker on Patents, Sec. 490.

7. Plaintiff's Proofs (Prima Facie)

- a. Proof of incorporation or representative character of plaintiff if suing otherwise than in his personal capacity.
- b. Proof of letters patent in suit.
- c. Proof of chain of title to plaintiff.
- d. Proof of Defendant's Infringement including expert evidence as to similarities and identity of devices of plaintiff and defendant.
- e. Damages.

"At law the plaintiff is entitled to recover as damages, compensation for the pecuniary loss he has suffered from the infringement."

Coupe v. Royer, 155 U.S. 565, 582.

Methods of Assessing Damages are:

- (1) Using plaintiff's established royalties as a basis.
- (2) What the plaintiff would have gained if not interfered with.
- (3) Reasonable royalty.

Walker on Patents, Sec. 555.

Note that in a flagrant case, the trial judge may enter judgment on the verdict for any sum above the amount found by the jury not exceeding treble such amount.

U.S. Revised Stats. Sec. 4919.

8. Defendant's Proofs.

The proofs offered by the defendant are either those which directly contradict the plaintiff's proofs, or are in confession and avoidance thereof.

9. Plaintiff's Rebuttal.

Plaintiff's rebuttal proofs are directed to meet new matter which may have been brought out by defendant.

10. Qui Tam Actions.

These are statutory actions brought to recover a penalty of one hundred dollars, one half of which when recovered goes to the plaintiff and one half to the United States. The classes of forbidden acts for which such penalty is imposed are as follows:

- (1) Marking name of patentee or imitation thereof upon patented article without his consent.
- (2) Marking upon patented article word "patent" or "patentee" or "letters patent" or the like without patentee's consent, with intent to imitate or counterfeit the mark or device of the patentee.
- (3) Marking unpatented article with word "patent" or any word importing same is patented for purpose of deceiving the public.

U.S. Revised Stats. Sec. 4901.

Note that any person may sue for the penalty for each offense in any district court of the United States within whose jurisdiction such offense may have been committed.

Ibid

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SYNOPSIS OF LECTURE XIV

A. ACTION IN EQUITY

1. Jurisdiction of Federal Courts in Equity.

The several federal courts vested with jurisdiction of cases arising under the patent laws have power to grant injunctions according to the principles of courts of equity; and upon a decree for infringement, the plaintiff is entitled to recover profits or damages.

U.S. Revised Stats. Sec. 4921.

As to history of jurisdiction of the federal courts, see, -

Franklin Brass Foundry Co. v. Shapiro & Aronson,
278 Fed. 435, 438.

2. Six Year Limitation.

No profits or damages can be recovered for any infringement committed more than six years before the filing of the bill of complaint.

U.S. Revised Stats. Sec. 4921.

This statutory limitation applies to both actions at law and equity.

3. Profits or Damages

a. Both an account of defendant's profits may be taken and plaintiff's damages assessed in an action in equity. The court will thereupon enter a decree for the larger amount of recovery, whether damages or profits.

Walker on Patents, Sec. 573.

b. A bill for equity, however, will not lie merely for the recovery of profits or damages arising out of defendant's infringement; such relief is incidental to the right of injunction or other equitable ground of action.

Root v. Railway Co., 105 U.S. 189, 215-216.

4. Bill in Equity

A bill in equity for infringement of a patent should contain:

- a. Title of the court and name of the case.
- b. The full name, when known, of each plaintiff and defendant, and the citizenship and residence of each party, together with the disability, if any, of either party.
- c. A short and plain statement of the grounds upon which the court's jurisdiction depends, including facts showing defendant is inhabitant of district, or has committed acts of infringement and has a regular and established place of business therein.
- d. Short and simple statement of the ultimate facts upon which the plaintiff asks relief.

Note: This statement is the same in substance as that of a complaint in an action at law, except as to matters laying foundation for injunction or other equitable relief, such as irreparable injury and threatened future infringement.

- e. If there are proper parties defendants who are not named as defendants, the bill should state why they have not been made parties.
- f. Prayer for relief.
- g. Signature of solicitor.
- h. Oath of plaintiff or of some one having knowledge of the facts where special relief is desired pending the suit.

Federal Equity Rules, 24, 25.

5. Parties Plaintiff and Defendant.

In general, the parties plaintiff and defendant are the same as in actions at law, except that the owner of an equitable title should ordinarily be joined with the owner of the legal title.

Stimson v. Rogers, 23 Fed. Cas. 105.

6. Defenses.

a. Motion to Dismiss.

Every defense in point of law arising on the face of the bill, may be made by motion to dismiss. Demurrers and pleas in equity causes are abolished.

b. Answer.

(1) Defenses in Answer.

The answer may set forth as a ground of defense any matter which might have been made the subject of a motion to dismiss. Also all defenses formerly presentable by plea in bar or abatement, or by answer.

Federal Equity Rules, 29,30.

(2) Grounds of Defense.

The same grounds of defense may be set forth in the defendant's answer as in actions at law. In addition there may be raised in equity two other grounds, laches and want of equitable jurisdiction.

(3) Contents of Answer.

"The defendant in his answer shall in short and simple terms set out his defense to each claim asserted by the bill, omitting any mere statement of evidence and avoiding any general denial of the averments of the bill, but specifically admitting or denying or explaining the facts upon which the plaintiff relies, unless the defendant is without knowledge, in which case he shall so state, such statement operating as a denial."

Federal Equity Rule 30.

"The answer may state as many defenses, in the alternative, regardless of consistency, as the defendant deems essential to his defense."

Ibid

(4) Counter-Claim.

The answer may state in short and simple

form any counter-claim arising out of the subject-matter of the suit, or any set-off or counterclaim against the plaintiff which might be the subject of an independent suit in equity against him.

Federal Equity Rule 30..

7. Plaintiff's Reply.

The plaintiff in case of a set-off or counter-claim, shall reply within ten days after filing of the answer, unless such time is extended by the court. Otherwise a reply shall not be required without special order of the court.

Federal Equity Rule 31.

8. Defense of Want of Equitable Jurisdiction.

A want of equitable jurisdiction is fatal to the suit. If it appears on the face of the bill it may be raised by motion to dismiss, or in any event in the answer whether apparent in the bill or not. It is usually invoked where the patent in suit expired before the bill was filed, or where no ground for equitable relief is set forth.

Root v. Railway Co., 105 U.S. 189.

Campbell v. Ward, 12 Fed. 150.

9. Defense of Laches.

Cases involving defense of laches "proceed on the assumption that the party to whom laches is imputed has knowledge of his rights, and an ample opportunity to establish them in the proper forum; that by reason of his delay the adverse party has good reason to believe that the alleged rights are worthless or have been abandoned; and that because of the change in condition or relations during this period of delay, it would be an injustice to the latter to permit him now to assert them."

Gallier v. Cadwell, 145 U.S. 368, 372.

Ford Motor Co., v. K.W. Ignition Co., 278 Fed. 373.

Mere laches, unaccompanied by circumstances amounting to an equitable estoppel, while they may preclude recovery of profits or damages, will not shut out a party from relief by injunction on final hearing in a clear case of infringement.

Taylor V. Sawyer Spindle Co., 75 Fed. 301, 303.

Menendez v. Holt, 128 U.S. 514.

McLean v. Fleming, 96 U.S. 245.

Beattie Mfg. Co., v. Smith, 275 Fed. 164, 172

Seven years held fatal, where plaintiff knew of defendant's extensive sale, and enlargement of investment and said nothing, particularly where infringement was not clear.

General Electric Co., v. Yost Elec. Co., 208, Fed. 719.

Twelve years held fatal where employee had permitted employer to use invention without protest.

Lane & Bodley Co. v. Locke, 150 U.S. 193.

10. Bill of Particulars.

"A further and better statement of the nature of the claim or defense, or further and better particulars of any matter stated in any pleading, may in any case be ordered, upon such terms, as to costs and otherwise, as may be just."

Federal Equity Rule 20.

The purpose of this rule is to aid a litigant to ascertain the case he is to meet, to avoid surprise at the trial, and to make the issues more definite.

Whitaker v. Whitaker Iron Co., 238 Fed. 980, 982.

Thus date of invention may be required to be specified by plaintiff, and defendant simultaneously required to divulge dates of prior uses and publications.

Dick Co., v. Underwood Typewriter Co., 235 Fed. 300.

11. Interrogatories

The New Equity Rules have abolished the interrogatory part of the bill, and provision has been made under Equity Rule 58 by the new practice of filing of interrogatories by either of the parties to be answered under oath by the other. The same

rule makes provision for the enforcement of answers to interrogatories or the inspection or production of documents in possession of the party interrogated. The interrogatories are expressly limited to facts in support of the case of the party interrogating.

12. Hearings.

"The hearing of an action in equity for infringement of a patent, may take place before one of the judges of the court sitting alone, or before several judges sitting together, or before a judge and a jury, or before a master in chancery."

Walker on Patents, Sec. 632.

13. Trials in Open Court.

Under the new equity rules, the testimony in patent causes is taken orally in open court, except as otherwise permitted by statute or order of the court.

Federal Equity Rule 46.

Depositions may be taken by statute, as where the witnesses reside over 100 miles from the place of trial, or may be taken on order of the court for good and exceptional cause.

Federal Equity Rule 47.

14. Master in Chancery.

"Save in matters of account, a reference to a master shall be the exception, not the rule, and shall be made only upon a showing that some exceptional condition requires it.

Federal Equity Rule 59.

15. Expert Witnesses.

Usually the evidence of expert witnesses is taken in open court, but upon petition the District Court may order that the testimony in chief of such witnesses may be set forth in affidavits, the opposing party having the right on motion to cross-examine.

Federal Equity Rule 48.

In the U. S. District Court of the Southern District of New York only one expert witness is allowed to each side, except by leave of court.

Local Equity Rule 5.

B. PRELIMINARY INJUNCTIONS AND INTERLOCUTORY DECREES.

1. Interlocutory Decree.

An interlocutory order or decree is one which is not final. Thus a decree sustaining the patent, adjudging infringement granting an injunction and referring the cause to a master for an accounting is interlocutory. So also a decree granting a preliminary injunction.

2. Granting of Preliminary Injunction.

a. Application for Preliminary Injunction.

An application for preliminary injunction is usually made upon the filing of the bill and the submission of affidavits of both plaintiff and defendant. A clear case of plaintiff's title and defendant's infringement together with danger of irreparable injury must be shown. There must also appear facts giving rise to a presumption of validity.

b. Bond of Plaintiff.

The Clayton Act, Section 18, requires that a bond or security be given by the plaintiff to the defendant, as a condition precedent to the issuance of the preliminary injunction to cover defendant's costs and damages if wrongfully enjoined.

c. Grounds giving Rise to Presumption of Validity.

On an application for preliminary injunction, validity will not be presumed by reason of the mere production of the patent. In order to give rise to such presumption the applicant must show either

(1) That the patent has been held to be valid in a contested case in a federal court.

Interurban Ry. & T. Co. v. Westinghouse E. & Mfg. Co., 186 Fed. 170.

(2) Or that the public has generally acquiesced in the validity of the patent.

Thomson Electric Welding Co. v. Two Rivers Mfg. Co., 63 Fed. 120.

d. Doubtful Case.

"It is a cardinal principle of equity jurisprudence that a preliminary injunction will not issue in a doubtful case."

Hall Signal Co. v. General Ry. Signal Co., 153 Fed. 907, 908.

e. Cessation of Infringement.

The stopping of the infringement and the statement by the defendant that he does not intend to infringe in the future, do not justify the infringement nor ordinarily relieve the defendant from injunction, particularly if he is in position at any time to resume infringement.

Goshen Company, v. Myers Company, 242 U. S. 202.

Brookfield v. Elmer Glassworks, 132 Fed. 312, 315.

General Electric Co. v. N. E. Elec. Co., 128 Fed. 738.

"But still an injunction is only granted to prevent threatened injury. If it is clear that no injury is threatened, it should not issue."

Crier v. Inses, 170 Fed. 324, 326.

f. Defenses.

The usual defenses to an application for preliminary injunction are:

- (1) Denial of facts constituting plaintiff's prima facie case.
- (2) Prior adjudication not in point.
- (3) No general acquiescence.
- (4) Invalidity of patent.
- (5) Expired patent.
- (6) License.
- (7) Estoppel.
- (8) Laches.

Walker on Patents, Sects. 677-684.

g. Bond of Defendant.

For strong and special reasons, the Court in the exercise of its discretion may suspend the injunction upon the giving of a sufficient bond or security by the defendant.

3. Motion to Dissolve Preliminary Injunction.

A motion to dissolve a preliminary injunction must be seasonably made, and to be granted such showing must be made as would in the first instance have prevented the issuance of the injunction.

Timclat v. Phila. Pneumatic Tool Co., 123 Fed. 38, 40.

Carey v. Domestic Spring Bed Co., 26 Fed. 38, 40.

C. FINAL DECREE AND PERMANENT INJUNCTION.

A final decree is one entered at the completion of the cause, as where the plaintiff's bill is dismissed, or where a decree is entered closing the case after confirmation of a master's report upon an accounting. Usually where the validity of the patent is sustained and the defendant found to infringe, a permanent injunction will be ordered in the final decree.

D. APPEAL AND CERTIORARI.

1. An appeal from an order granting, continuing, refusing, dissolving or refusing to dissolve a preliminary injunction in a patent cause, lies within thirty days after entry of said order to U. S. Circuit Court of Appeals.

Judicial Code, Sec. 122.

Note: Unless it appears that the District Court has proceeded upon an erroneous hypothesis of pertinent fact or law, or has improvidently exercised its legal discretion, the order will not be disturbed.

Acme Acetylene Appliance Co. v. Commercial Acetylene Co., 192 Fed. 321, 323.

2. An appeal from a final decree in a patent cause lies to the U. S. Circuit Court of Appeals within six months after the entry thereof.

Judicial Code, Sec. 123.

Act, March 3, 1891, Sec. 11.

3. Certiorari from U. S. Supreme Court to U. S. Circuit Court of Appeals in case of a final decision must be applied for within three months after the entry of the decree complained on.

Act, Sept. 6, 1916, Chap. 448, Sec. 6.

Note: The writ of certiorari only issues in rare instances, as where there is a conflict of decision involving large property rights, or where the administration of Justice is seriously affected .

COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK

COURSE ON PATENT LAW

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SYNOPSIS OF LECTURE XV

A. PATENT ACCOUNTINGS BEFORE A MASTER.

1. Reference to Master.

A reference to a Master for the purpose of taking an accounting of plaintiff's damages and defendant's profits is ordinarily incorporated in the decree for the plaintiff in an equity suit for infringement of patent.

2. Presentation of Order to Master.

Where such a reference is decreed it is the duty of the plaintiff to present the order of reference to the Master within twenty days thereafter.

Federal Equity Rule 59.

3. Master's Summons.

The Master's summons is issued by the Master and is directed to the defendant requiring him to bring in on a certain day his account of profits in the form of debtor and creditor and usually specifies and defines subject matter to be covered thereby.

Federal Equity Rule 63

Beckwith v. Malleable Iron Range Co., 207
Fed. 848.

Cashman & Derison Mfg. Co. v. Grammes, 225
Fed. 823.

If desired a motion may be made by the plaintiff for the issuance of a Master's summons, and be heard before the Master after notice to the Defendant. This would avoid the bringing of a motion to quash by the defendant which might be made, were the summons to issue on the ex parte application of the plaintiff.

4. The Defendant's Account.

The defendant's account required by Equity Rule 63 is to be on the basis of a cash statement of moneys received and disbursed, and the duty is imposed upon the defendant to make the needful investigation and to state all items in detail.

Cashman & Denison Mfg. Co., v. Grammes, 225 Fed. 883.

In re Beckwith, 203 Fed. 45.

The basis of the proceeding so far as regards profits is the account filed by the defendant.

Beckwith v. Malleable Iron Range Co., 207 Fed. 848.

5. Motion to Quash.

If the Master's summons is defective in that the scope of the accounting is unduly extended, or directed to matters not properly before the court, a motion to quash should be made by the defendant before the Master, prior to the preparation and filing of the account. Such motion would, however, be of no avail where the Master had issued the summons after hearing all parties thereon upon a motion by the plaintiff therefor.

6. Plaintiff's Objections.

Where the defendant does not fully account, or where the account is defective on its face and not in compliance with the Master's summons, the plaintiff may file objections thereto and may if his objections are sustained require the defendant further to account. The plaintiff may also require the production for examination of those persons best acquainted with the account, together with the books and papers upon which it is based, and may make further objections, and request further accounting.

Federal Equity Rules 62, 63.

7. Contempt Proceedings.

Where the defendant refuses to account or to submit himself for examination thereon or produce all books, papers, writings, vouchers, and other documents relative thereto, the Master should report refusal to the District Court, and thereupon an application for an attachment for contempt may be made by the plaintiff.

8. Damages.

The plaintiff may at any time request the Master to assign a time and place where evidence may be offered as to the damages suffered by reason of defendant's infringement.

Federal Equity Rule 60.

In practice, evidence as to damages is not ordinarily taken before the account of the defendant as to profits has been filed.

9. Master's Report.

Prior to filing the Master's Report, it is the usual practice for the Master to submit a draft report to counsel in the case and afterwards to discuss the same with them together with their objections and requests for findings. The Master's Report when in final form is filed in the Clerk's Office of the District Court where the cause is pending, the parties having twenty days thereafter to file exceptions thereto. Where no exceptions are filed the report shall stand affirmed, but in case of exceptions they shall stand for hearing before the court.

Federal Equity Rule 66..

10. Accounting Period.

The period of the accounting is down to the date of the Master's Report.

Stepler v. Riverside Heights Orange Grower's Assn.,
211 Fed. 985.

11. Conclusiveness of Master's Report.

The conclusions of the Master as set forth in his report are to have every reasonable presumption in their favor and are not to be set aside or modified unless clearly wrong.

Continuous Glass Press Co. v. Schmertz Wire Glass Co., 219 Fed. 199.

B. RECOVERY OF DEFENDANT'S PROFITS.

1. General Rules.

The general rules as to the recovery of defendant's profits in equity for infringement are laid down in the leading case of Westinghouse Elec. & Mfg. Co. v.

Wagner Elec. & Mfg. Co., 225 U. S. 604, from which may be gathered the following:

a. Where the infringer has sold or used a patented article the plaintiff is entitled to recover all of the profits.

b. Where a patent, although using old elements, gives the entire value to the combination, the plaintiff is entitled to recover all the profits.

c. Where the profits are made by the use of an article patented as an entirety, the infringer is liable for all the profits unless he can show, and the burden is upon him to show, that a portion of them is the result of some other thing used by him.

d. Where the plaintiff's patent is only a part of the machine and creates only a part of the profits, he must give evidence tending to separate or apportion the defendant's gains between the patented feature and unpatented features. But where it appears in such case that the defendant has so commingled and confused the parts of the fund that it is impossible to effect a separation thereof, the plaintiff is entitled to the entire fund within the doctrine of trustee ex maleficio.

Note: The Court holds that the liability of the defendant is not limited to cases where the patented device is shown to have preponderated in the creation of profits. The owner of a small part of the fund is as much entitled to the protection of the law as the owner of a larger share.

e. Where profits are not determinable with reasonable certainty, court may allow reasonable sum as profits.

Act of Feb. 18, 1922.

2. Apportionment where profits only due in part to Patented Improvement.

a. Burden is on the Plaintiff.

Where the entire market value of the infringing device cannot be attributed to plaintiff's patent, the burden is on the plaintiff to prove what part of the entire profits arose from the use of its patented invention.

Underwood Typewriter Co. v. Fox Typewriter Co., 220 Fed. 880 .

b. Where Infringing Elements are Life of Machine.

"Where the employment of the infringing elements are the life of the machine, so that without such elements such machine would not be a marketable article, -- the plaintiff is entitled to the entire profits."

Rachine Engine etc. Co. v. Confectioners' M. & Mfg. Co., 234 Fed. 876.

c. Where patent is for Improvement merely

The burden of apportionment is logically upon the plaintiff where the patent in suit is for an improvement and not for an entirely new device.

Riverside Heights Orange Growers' Assn. v. Stebler, 240 Fed. 703.

d. Standard of Comparison.

The measure of defendant's liability for profits is the saving by his use of plaintiff's invention over the use of non-infringing structures available during the period of infringement, and adequate to obtain an equally beneficial result.

American Pneumatic Service Co. v. Snyder, 241 Fed. 274, 275.

e. Expert Testimony.

The apportionment of profits is a question of expert knowledge to be derived from men of experience in the manufacturing and selling field in which the infringing article is sold.

Herman v. Youngstown Car Mfg. Co. 216 Fed. 604, 607-608.

3. Cost of Production and Computation of Profits.

In an accounting for profits, the cost of producing the whole is set off against the returns from the sale of the portion sold, and a profit from the sale of the portion sold, and a profit or loss is deduced.

Continuous Glass Press Co. v. Schmertz Wire Glass Co., 219 Fed. 199, 202.

Decker v. Smith, 225 Fed. 776.

Thus there may be set off against gross income:

(1) Fair and reasonable salaries.

Nashville Syrup Co. v. Coca-Cola Co., 215 Fed. 527, 533-534.

(2) Taxes and Insurance, only where plant was devoted entirely to the infringing business.

Carborundum Co. v. Electric Smelting & Aluminum Co., 203 Fed. 976, 985.

(3) Repairs and Depreciation, only where plant is used only for infringing purposes.

Metallic Rubber Tire Co. v. Hartford Rubber Works, 245 Fed. 860.

(4) Royalties paid for licenses under other patents.

Herman v. Youngstown Car Mfg. Co., 216 Fed. 604, 609.

(5) Actual Cost of Materials as of date of purchase by the Defendant .

Byerly v. Sun Co., 226 Fed. 759.

(6) Interest on Capital to the extent of its actual employment in the infringing operations.

Western Glass Co. v. Schmertz Wire Glass Co. 226 Fed. 730, 733.

(7) Advertising expenses so far as assisting sales of infringing articles.

Ibid.

(8) Cost of Labor required to manufacture Infringing devices.

(9) Other reasonable costs of manufacture, including selling and overhead expenses, so far as involved in the infringing business.

Alleged items constituting cost of production will be closely scrutinized, and will not be allowed unless pertinent and proper; thus there will not be set off against gross profits:

(1) Superior intelligence of infringer as enabling him to obtain profits denied to one of less mentality.

Conroy v. Penn. Elec. & Mfg. Co. 199 Fed. 427, 430-431.

(2) The cost of infringing devices which were given away to stimulate sales.

Underwood Typewriter Co. v. Fox Typewriter Co.
220 Fed. 880.

(3) Expenses paid or incurred on account of attempted sales, and "bad debts" resulting therefrom.

Decker v. Smith, 225 Fed. 776, 781.

(4) Good will of business gained through sale of infringed structure.

Byerly v. Sun Co., 226 Fed. 759, 765.

(5) Loss occasioned through defective manufacture of infringing articles.

Metallic Rubber Tire Co. v. Hartford Rubber Works Co., 245 Fed. 830.

(6) Patent and legal expenses.

Ibid.

4. Interest on Profits.

While allowance of interest is largely a matter of discretion, it is generally held that profits do not bear interest until after the amount has been judicially determined.

Cambria Iron Co. v. Carnegie Steel Co., 224 Fed. 947, 955.

Western Glass Co. v. Schmertz Wire Glass Co., 226 Fed. 730, 738.

In the Second Circuit, it is settled that where there is a genuine controversy, the interest runs from the filing of the master's report.

Vandenburgh v. Concrete Steel Co. 278 Fed. 607, 610.

C. RECOVERY OF PLAINTIFF'S DAMAGES

1. What Damages Recoverable.

The same damages are recoverable in equity as in actions at law, but a claim for damages is only allowed in equity to those cases where the injury to the plaintiff sustained from the infringement is plainly greater than the aggregate profits made by the infringer.

Cowpe v. Royer, 155 U. S. 565, 582.

Thus in an equity action for infringement there may be considered as a basis for the ascertainment of damages:

- a. Plaintiff's established royalty.
 - b. Loss of sales, or other direct injury.
 - c. Reasonable royalty.
 - d. Reasonable sum as general damages.
- U. S. Rev. Sts. Sec. 4921, as amended.

2. Reasonable Royalty.

The leading case of Dowagiac Mfg. Co. v. Minnesota Moline Plow Company, 235 U. S. 341, laying down authoritatively the doctrine of reasonable royalty, has provided an effective method of recovery where the plaintiff is unable to apportion or recover defendant's profits, or to prove an established royalty or a direct injury like loss of sales. Prior to this decision, the Circuit Court of Appeals of the 1st, 2nd, 5th, 8th and 9th Circuits took a contra view.

According to this case, proof of a reasonable royalty may be made by evidence of general damage, or "damage not resting upon any of the applicable, exact methods of computation, but upon facts and circumstances which permit the jury or the Court to estimate in a general, but in a sufficiently accurate, way the injury caused to plaintiff by each infringing sale."

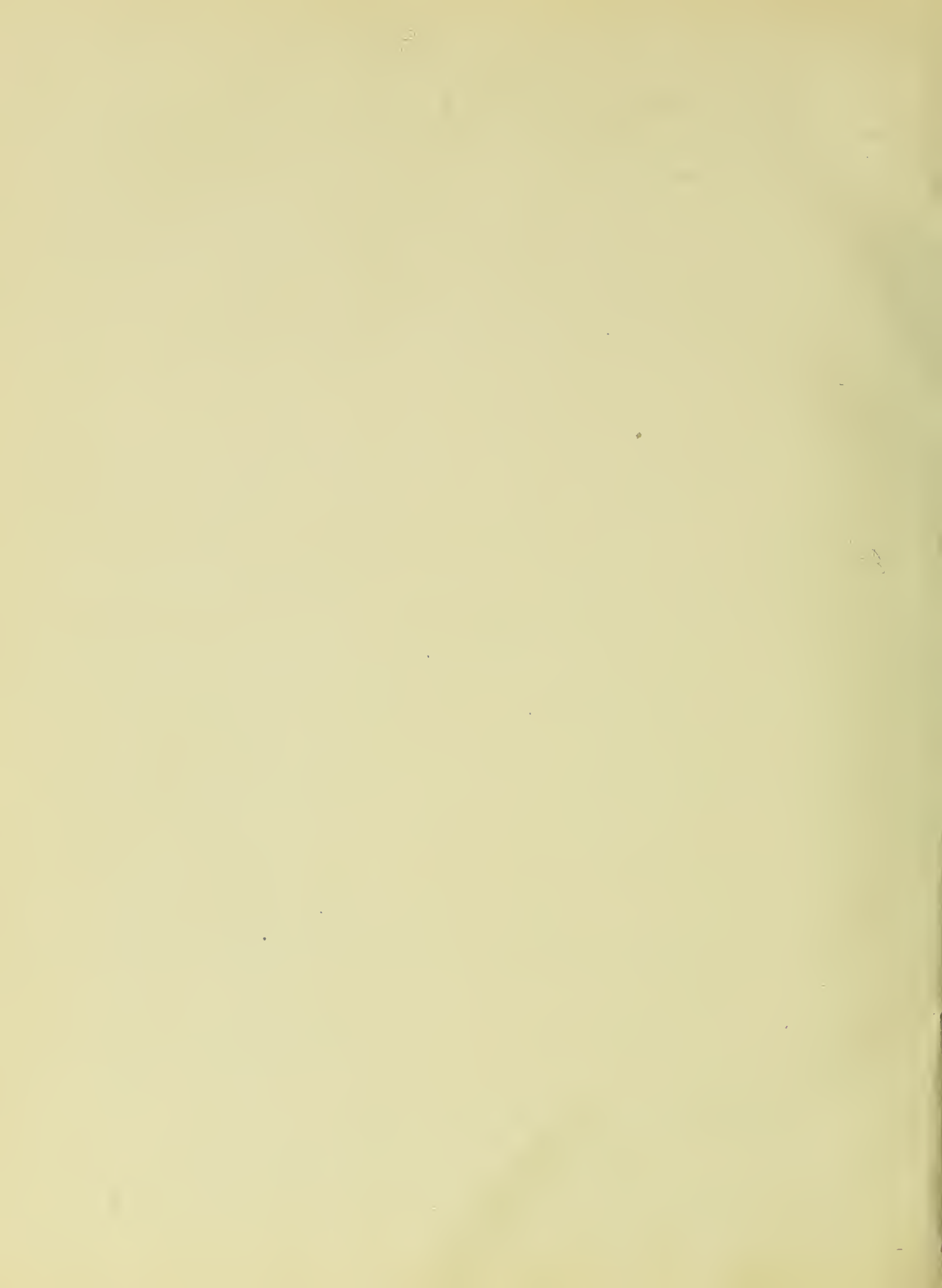
United States Frumentum Co. v. Lauhoff, 216 Fed. 610, 617.

"It was permissible to show the value by proving what would have been a reasonable royalty, considering the nature of the invention, its utility and advantages, and the extent of the use involved."

Dowagiac Mfg. Co. v. Minnesota Moline Plow Co., 235 U. S. 341, 348.

3. Evidence of Reasonable Royalty.

"The jury, in a patent case, can be shown what plaintiff's patent property was, to what extent defendant has taken it, its usefulness and commercial value as shown by its advantages



over other things and by the extent of its use and as shown by the profits and savings which could be made upon its sale or adoption. The jury can learn how much of the realizable profit should be credited to the manufacturing process and business risk, and how much to the patent; also, what share of the profits or of the selling price it may be customary in that or similar business to allow for the use of such invention. Experts may be amply qualified to give useful opinions as to the value of the property which is to be appraised."

United States Frumentum Co. v. Lauhoff, 216 Fed. 610, 617.

4. Interest on Reasonable Royalty.

It is discretionary with the court in a suit in equity for infringement, to allow interest upon unliquidated damages based upon a reasonable royalty.

Consolidated Rubber Tire Co. v. Diamond Rubber Co., 226 Fed. 4455, 463.

5. Reasonable Sum as General Damages.

If it appears on the proofs that the plaintiff has suffered damages from the infringement but that such damages are not susceptible of calculation and determination with reasonable certainty, the court may on evidence tending to establish the same, in its discretion, receive opinion or expert testimony, and upon such evidence and all other evidence of record the court may decree the payment of a reasonable sum as general damages for the infringement.

Act of Feb. 18, 1922. Amending Sec. 4921.

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